

FALL
2004

CU*BASE[®] Software Upgrade

Online Credit Unions	Self Processing Credit Unions
November 15, 2004	Week of December 6, 2004

Two releases in three months!?! It's been a busy Fall so far for CU*Answers, but software enhancements wait for no man . . . or woman, or something. And the leaves are already starting to turn color and fall on our freshly-mown lawns. A picturesque beauty and my favorite time of the year! Just checking to see if anyone reads this!

To help you scan this summary, remember our handy coding system:



Immediate Effect

Changes automatically in place on the day the release is implemented.



Must be Activated

Your CU must make a decision either to activate it or modify configuration parameters. May require contacting a CSR.



Team Implementation

Work with CU*Answers before implementation.

All of the booklets mentioned below will be available on our web site on or before November 10, 2004. Updated online help, including the "What's New" summary list of all changes, will be included with the release itself in November (or December, for self processors).



Account Adjustment Enhancements

When it comes to CU*BASE general ledger tools, a basic tenet for the CU*BASE Product Team is that if a credit union is routinely doing an certain type of account adjustment, wherever possible we should build a separate function for that process. In addition, wherever feasible, controls should be in place that prevent an end-user from having to manually enter a G/L account number. This release includes three separate projects that address that theme: Coded Account Adjustments, the new Wire Transfers System, and enhancements to the Mail/Direct Post system.

New "Coded Account Adjustments"

This new system takes the guesswork out of posting adjustments to member accounts. Which offset G/L should I use? What's the right transaction type? Coded Account Adjustments let your credit union configure the offset G/L account and other settings for as many commonly-used account adjustments as you like. For example, you could set up a code to refund NSF fees. The code would define your fee income G/L for the offset and the default transaction description you want to use for consistency. When an MSR or other staff needs to perform that type of adjustment on a member account, he or she simply chooses the appropriate code, enters the amount and posts it.

Coded Account Adjustments will be available from two menus, as well as via a new speed key: **ADJ**. Because the two systems will be separate commands, you will be able to limit which employees can use the more powerful system to those who really understand the fine points, giving you more auditing control over this important function.

	Coded Account Adjustments	Full Account Adjustments
Access via menus	MNSERV* MNHTEL	MNHTEL MNLOAN MNCOLL
Speed sequence	ADJ	ADJUST

**The Coded system will replace the existing full account adjustment system on the MNSERV menu.*

Misc. Account Adjustment/Transaction Reversal Enhancements

- When using the existing Account Adjustment system, there will now be a **warning message** if the offset G/L account number entered is the same as the member G/L. Because it may be necessary to

post that type of transaction in rare cases (such as loan loss adjustments), the message simply warns the user what is about to happen, and gives them a chance to back up and change the G/L account as appropriate.

- When posting a **Transaction Reversal**, the system will now warn a user when reversing one half of a transfer transaction. The warning simply reminds the user that this was one half of a transfer and not to forget to reverse the other half as well. Then when the transaction list reappears, there will be a new “Jump” feature that will allow you to quickly switch to the other member’s account without having to enter the account number manually.

NOTE: At this point the new “jump” feature is only available through the standalone Transfer Reversal program, NOT the teller version that also deletes audit keys. We do plan to add the “jump” feature to that system in a release coming soon.

- When posting an adjustment to an account that has **secured funds** or a **par value**, the system will now require the user to perform a transaction override to release the funds before the adjustment transaction can be posted. (TIP: With this release you will be able to access the Transaction Override function from the CU*BASE Time-Out window! See “Misc. Enhancements” below for details.)
- The **Div/Int Calculator** available from both the existing and new coded account adjustment programs has been enhanced to show more information about the account to make it easier to perform the calculation. New fields include the account type description (such as “Regular Shares” or “Installment Loan”), current rate, and interest calculation type codes and description.
- Do you know how to see all the account adjustments that are being posted to your member’s accounts? No, you don’t need to print the big “TR” journal analysis - just use the **Member Account Adjustments report** on menu MNRPTC. For this release the report has been enhanced so that you can print only those adjustments that hit a certain G/L offset account, in addition to the existing selection choices by employee, origin code, account type, etc.

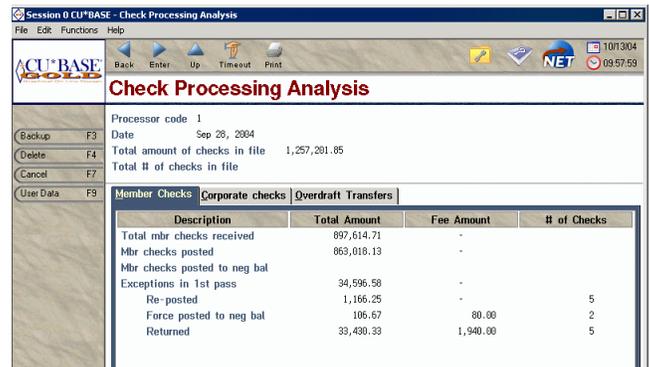
 Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

Draft Processing Statistics and Enhancements

Do you know the average number of member checks your credit union processes in a week’s time? What percentage of incoming items are typically returned? How many checks that didn’t post when presented are caught on the re-post process the next day?

How often does ODP come into play to cover member checks? How much fee income did you realize yesterday because of overdraft transfer fees or your courtesy pay program?

All these questions and more can now be answered with new CU*BASE Check Processing Analysis tools. View member check volume by dollar amount and item count, as well as associated fees, at any time, for any day. A new report even lets you see average daily amounts and counts for any period of time.



The screenshot shows a window titled "Session 0 CU*BASE - Check Processing Analysis". The main title is "Check Processing Analysis". Below the title, it shows "Processor code 1", "Date Sep 28, 2004", "Total amount of checks in file 1,257,201.85", and "Total # of checks in file". There are three tabs: "Member Checks", "Corporate checks", and "Overdraft Transfers". The "Member Checks" tab is active, showing a table with the following data:

Description	Total Amount	Fee Amount	# of Checks
Total mbr checks received	897,614.71	-	
Mbr checks posted	863,018.13	-	
Mbr checks posted to neg bal			
Exceptions in 1st pass	34,596.58	-	
Re-posted	1,156.25	-	5
Force posted to neg bal	106.57	80.00	2
Returned	33,430.33	1,940.00	5

This is only the beginning. If you have ideas for other ways to view these statistics, or ways to combine them with other analysis tools to help your credit union analyze productivity and resource management, let us know! Watch for information on future “Know Your Members” focus group meetings to add your voice to the plans.

Check processing statistics will be available via the “Processing Summary Statistics” command on menu **MNSDAT**. As you’ll see, the screens have been completely redesigned:

- For each draft file, you'll see the total amount received and the total amount posted. If a file has been received but not yet posted, or if the amounts do not match, the screen will highlight to warn you.
- Once you select one of the draft files, a new screen showing comprehensive statistics (shown above) will appear, including amount, # of checks, and associated fee amounts.

The new report will be available via the new "Check Processing Statistics Rpt" command on menu MNSDAT. This report lets you combine check statistics for multiple days, with **average daily calculations** for check amounts, fees, and number of checks.

Remember that statistical information is only available for check files posted after this release is implemented. Report data will be incomplete for any dates prior to the release.



Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

! Employee Security Enhancements for CU*Answers Employees

This project is an exciting one for credit unions and CU*Answers staff alike. In a nutshell, now CU*Answers employees each will be assigned an individual employee ID for use when working with credit union data. Instead of a single ID 89 representing any number of CU*Answers employees, each person's ID will be unique. When someone leaves CU*Answers' staff, his or her ID is simply deactivated without any affect on any other employee, or any intervention required by a credit union security officer.

Even more important are new tools being added to allow your credit union to track exactly what any employee, whether a CU*Answers support person or your own credit union staff, is accessing in CU*BASE.

The "Alias" Solution

How did we accomplish all of this while still giving your credit union complete control over what our staff is allowed to do on your files, and *without* adding a maintenance headache for you or using up all of your ID numbers? First, there will be a single, separate file that stores IDs for CU*Answers employees. This file will be used by all online credit unions, so changes only need to be made in one place.

Then, each ID in this new file will be linked to an "alias" ID (such as the existing ID 89) that is on your individual credit union's Employee Security master. The alias ID still controls what menu commands can be used by any CU*Answers employee that is tied to that alias. So if Employee 89 can do something, any CU*Answers employee ID that uses 89 as an alias can do it, too. If 89 is restricted, so are the corresponding CU*Answers employees. So all you have to do is control your own credit union's settings for 89.

New Auditing Functions

New auditing functions are also being added to provide a new audit trail for monitoring both CU*Answers and credit union employee activity. Every time a CU*BASE program is accessed, we will record who accessed the command and when. For CU*Answers employees, the file will record the individual ID for the staff member (not the alias) so you will be able to tell who from CU*Answers was doing the work.

The file was designed to let you see what commands an employee accessed, not what they did while they were in there. This allowed us to make this change without having to modify hundreds of individual CU*BASE programs. Instead, the program where you enter your Employee ID and password automatically records which program you accessed and when (even if you use Auto Security). Tools such as Inquiry and Phone Operator will also record access details to the audit file.

This new audit trail was not designed to replace the existing File Maintenance (CUFMNT) tool or other tracking tools such as recording last maintained date and ID for a specific program. Instead, it is an additional resource for detective work in cases where there is a question about some employee activity. A Query of this file (file name DCEMPAUD) will be available from the MNMGMT menu.

Special note for self processing credit unions: To use this feature your credit union would need to maintain a separate copy of the file that holds CU*Answers employee ID information. Any CU*Answers

employee that accesses your system would need to update their password regularly to avoid it expiring, or we may need to set up a special ID that is used by someone on your staff who then could reset our passwords if needed. We will work with you to determine the method that will work best with your environment and access policies.

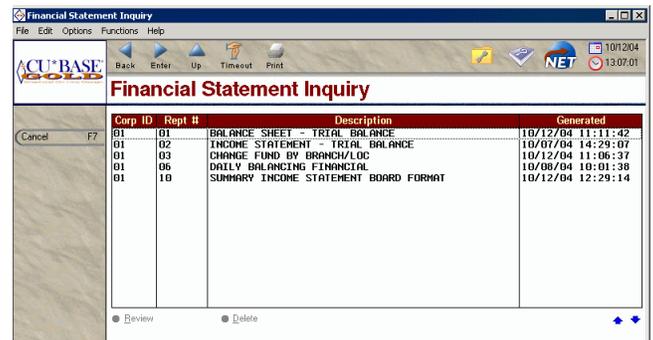
	Refer to the booklet, "Understanding Data Center Employee Security" for details. Available on our web site by Nov. 10, 2004.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

Financial Statement Review Enhancements

The Financial Statement Review feature on the Management Functions menu (MNMGMT) is used by credit union managers to review credit union financial reports in CU*BASE. It is a simplified version of the program that is used to specify the report parameters and produce printed reports.

We have updated this review feature to make it even easier to use. Once a report has been generated (must be viewed on the screen) using the Print CU Financials command (on menu MNGELE), the system will record the date and time when the report was run.

When a credit union manager accesses the Financial Statement Inquiry (via MNMGMT) the screen will display a list of all reports that have been run. You then simply select the report from the list to display it, and can even delete reports that are old and no longer used.



Corp ID	Rept #	Description	Generated
01	01	BALANCE SHEET - TRIAL BALANCE	10/12/04 11:11:42
01	02	INCOME STATEMENT - TRIAL BALANCE	10/07/04 14:29:07
01	03	CHANGE FUND BY BRANCH/LOC	10/12/04 11:06:37
01	06	DAILY BALANCING FINANCIAL	10/08/04 10:01:38
01	10	SUMMARY INCOME STATEMENT BOARD FORMAT	10/12/04 12:29:14

Also, when displaying the report itself, you can now press the **End key** (or click the button) to go directly to the bottom of the report. No more pressing PageDown again and again just to see the bottom line! The Home key/button will bring you quickly back to the top of the report.

IMPORTANT: Because the new inquiry feature uses a different file format, any reports that were generated prior to the release **will need to be run again** using the command on MNGELE in order for them to appear on the new Inquiry screen. Be sure to alert the person(s) responsible for running your monthly financials.

	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.
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General Ledger Chart of Accounts Enhancements

Documenting Your Back Office

What is G/L account 111.20 used for? Are there any special rules for its use? Who is responsible for monitoring this account? How should it be balanced? More importantly, are the answers to these questions quickly available to your staff—from back office accounting clerks to your credit union manager analyzing a financial report or working on the budget?

We are pleased to introduce yet another step in the direction of documenting your credit union's policies and procedures digitally, with easy, "just-in-time" access for every employee: **configurable Purpose and Procedures text for your general ledger accounts**. Record anything you wish, from a simple description of what the account represents, to step-by-step instructions for back office staff that need to balance the account on a daily basis.

To set up purpose and procedure for your G/L accounts, use the "Chart of Accounts Maintenance" command on menu MNGELE, then click the **Work with Full Chart of Accounts** button (or press F10).

G/L Account Lookup Window

From various places in CU*BASE, including working with the budget, G/L history inquiry, financial statement inquiry, posting journal entries, etc., you will be able to display a lookup window showing descriptions for all G/L accounts.



Command keys will be available to view free-form text explaining the **Purpose** of the account, as well as **Procedures** for using the account and for its daily balancing routines.

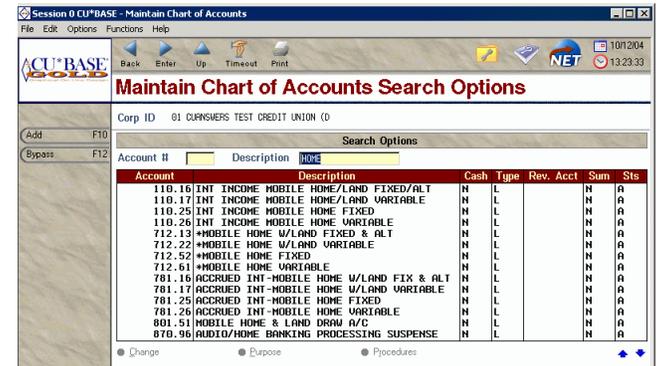
Especially helpful will be a new **description search** feature that lets you enter a word or words and display all G/L accounts where that text appears *anywhere in the description*. No more guesswork to find the account you need! This feature will appear not only in the lookup window, but also on the Chart of Accounts maintenance screen.

Maintaining Your Chart of Accounts

We have also made changes to make the Chart of Accounts Maintenance system (MNGELE) much easier to use.

The screens have been standardized to match other similar configuration programs on CU*BASE, and will make it simple and quick to add accounts, change account settings, and set up Purpose and Procedures text.

And the new search by description option makes it easy to check to see if an account already exists to prevent unnecessary duplication.



Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

Home Banking Usage Window in Inquiry/Teller/Phone

The “Home Banking Member” notation on the main Inquiry, Phone, and Teller Funds In screens was originally intended to show if the member *joined* the credit union via home banking (membership reason code 95).



This feature has been changed so that a button will appear if a member has ever *used* home banking— or more specifically, if there is a date in the *Date member accepted the PC indemnification* field on the member’s Home Banking access record. (This date appears in the Update Audio/Home Banking Access screen via menu MNUPDA and is updated when a member clicks “Accept” on the logon banner the first time they use CU*@HOME.) If no date is recorded for the member, the button will be hidden.

When you click the button, a new window will appear showing this member’s home banking usage statistics for the current and previous month, and the date on which they last logged in. Also shown will be other related self-service details including e-statement and online bill payment enrollment status. You will still be able to see whether the member joined via home banking, and the date on which the indemnification agreement was originally accepted.



Details for all related screens will be available via CU*BASE GOLD Online Help with the release.

Interest-Only Loans Enhancement

This project added a new optional feature for how payments are calculated for interest-only payment loans. The main purpose was to handle the addition of insurance premiums. Because the member isn't paying down the principal, the loan balance on these loans usually remains at the original disbursement limit. When an insurance premium is added to the loan account, it causes the account balance to go *above* the disbursement limit, making it appear as though the account is overline, and the amount never gets caught up until the note comes due.

To prevent this, you can activate a new *Add overline amount to payment* flag on the Loan Category configuration. If this flag is checked, when the system calculates payments it will add any amount owed above the disbursement limit to the payment amount for that month. For example, say a \$75 life and disability insurance premium is added to a loan with a disbursement limit of \$12,000, bringing it to a principal balance of \$12,075. The next time a payment is calculated, it will include the normal accrued interest amount, *plus* the \$75 overline amount. (Although the intent was primarily to handle insurance premiums, the calculation would apply in any situation where the member's balance is over the maximum disbursement limit.)

If a member makes a principal payment anywhere along the way, bringing the balance far enough below the disbursement to leave a "buffer" for future insurance premiums, the payment will no longer need to include the overline amount and may actually go down significantly. For example, if the member makes a \$1,000 principal payment on his \$12,000 loan, bringing the principal balance down to \$11,000, when future premiums are added they will no longer bring the balance above the disbursement limit, and will therefore not need to be added to the payment amount. This will need to be understood by your member service staff so that they can answer member questions about changing payment amounts on these types of loans.

To activate this flag for any of your interest-payment loans, use Loan Category Configuration on menu MNCNFB (the new flag is on the second configuration screen).

	Refer to the updated booklet, "Mortgage Products: Interest-Only Payment Loans." Available on our web site by Nov. 10, 2004.
	Details for all related screens will also be available via CU*BASE GOLD Online Help with the release.

Mail/Direct Post Enhancements

Like the new Coded Account Adjustment system described above, this project is another step in an attempt to help your credit union retain more control over transactions posted to G/L accounts. The existing Mail/Direct Post feature will now include a configurable code feature similar to miscellaneous receipts or advances. You define codes with corresponding offset G/L account numbers, to help ensure more accurate posting of transactions to member accounts.

When posting transactions, the user simply selects the appropriate configured code and proceeds as usual. This not only should allow for better consistency in posting but will also help prevent keying errors and give greater flexibility on who can be allowed to use the system. (NOTE: An all-purpose "999" code will be included so that a G/L account can be entered, but this code can be suspended for CUs that want to prevent any users from entering G/L account numbers manually.)

Codes are configured using the "Misc. Posting Codes Config." command on menu MNCNFC (formerly used just for Misc. Receipts and Misc. Advances codes but now also used for Wire Transfer codes, Coded Account Adjustments and Mail/Direct Post codes). Use this command also if you wish to suspend the 999 code in order to prevent G/L account numbers from being entered manually on the Mail/Direct Post screen.

	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.
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Notices for Balloon and Single Pay Loans

Two more notice types for you! With the increase in the number of mortgage and construction-related loans that use balloon and single-payment features, we have added two notices to warn members that payments are coming due:

- **Balloon Loans** (identified by a “B” in the Lease/Balloon flag on the member account)
- **Single-Payment Loans** (identified by a payment frequency setting of “P”)

A notice event will now be generated 30 days in advance of the Maturity Date on the loan account. If you would like to include either or both of these events on a printed notice form, you will need to add the notice event **LNBALL** (for balloon payments) and/or **LNSNGL** (single-payment loans) to one of your credit union’s configured notice forms. Default text has been configured, but you will also want to review the event text for both and make any changes as needed to fit your credit union’s situation.

For instructions, refer to the “Member Notices” booklet or contact a Client Service Representative for assistance.



Refer to the updated booklet, “Member Notices” for details. Available on our web site by Nov. 10, 2004.



Payoff Statement (Misc. Member Account Forms)

CU*BASE can now be used to print a Payoff Statement! If you get requests from third parties such as mortgage lenders for loan payoff information, you can now configure a special Misc. Member Account Form that can be printed from within the Payoff Calculator in the Phone Operator software.

The first step is to configure the text for a Misc. Member Account Form, using a form name of **PAYOFF**. Additional fields will be available if you wish to include them, such as payoff date, interest due at payoff, insurance rebate, delinquent fine, etc.

Once the form is set up, access the Payoff Calculator and use the new F14-Payoff Statement option to print the form. A window will appear requesting a name and address to be used for the mailing address portion of the printed form, to allow you to place it in a standard window envelope for mailing.

If you would like assistance setting up your version of the Payoff Statement form, please contact a CU*BASE Client Service Representative. For a nominal fee we can even take your ideas and create the form for you!



Refer to the booklet, “Miscellaneous Member Account Forms” for details on setting up your “PAYOFF” form so that it can be printed from the Payoff Calculator. The revised booklet will be available on our web site by Nov. 10, 2004.



Tiered Service Scoring Enhancements

The following new scoring options have been added to Tiered Services (from the Tiered Service Levels Config command on MNCNFD, choose the *Assign Tiered Service Level Point System* option):

- **Separate points for negative checking accounts vs. all other share products**
This change was in response to the increase in negative balances due to credit union Courtesy Pay programs. It might not make much sense to penalize a member for a negative balance on his checking account when you are taking it negative and charging him a fee as part of your Courtesy Pay program. So now you can define a different score (no points, negative points, whatever you wish) for negative checking accounts (Application Type SD) than for all other share-type accounts (Application Types SH, IR, and TX).
- **“Omit from scoring for written-off loans” flag**
This change allows you to configuring your Tiered Service scoring parameters so that it will automatically set a member’s score to zero and not grant any points, for all members that currently have a written-off loan account.

- **Separate points for AFT loan payments versus all AFT transfers**

There has always been an option to grant points to members for AFT, but this has actually been working to give points regardless of what type of AFT is being performed, whether share-to-loan transfers or share-to-share. This option has been relabeled, and a *new* option added to give points just for AFTs that make payments on loan accounts. This allowed us to add the functionality that would give your credit union maximum flexibility, without altering the way points are currently awarded to your members.

The remaining changes affect the feature that lets you adjust base points for individual members on a case-by-case basis (from the Tiered Service Levels Config command on MNCNFD, choose the *View Member Score Detail/Set Base Scores for Specific Member Acct* option):

- **“Misc. negative points” and “Omit from scoring” flag for individual members**

If a specific member has, for example, a delinquent OTB credit card or other negative situation that cannot be monitored automatically by CU*BASE, you can enter negative points that automatically will be subtracted from the member’s score each month. You can even choose to omit a member completely from monthly Tiered Service scoring (set his or her score to 0 automatically).

If you wish to change any of the scoring options then run an analysis on the points that will be calculated for your membership, be sure to make the adjustments after scoring is complete on the 1st of the month, then use the “Tiered Services Forecast” feature on menu MNMGMT to see how your tiers will score. (Be sure to make the final changes to your configuration before the next scoring run on the 1st of the following month.)

 Refer to the updated booklet, “Tiered Service Levels - Implementation Guide” for details. Available on our web site by Nov. 10, 2004.

Verification of Deposit Form (Misc. Member Account Forms)

CU*BASE can print a Verification of Deposit form! Like the Payoff Statement described above, you can now configure a special Misc. Member Account Form to be used when a third party requests balance information for a member’s accounts.

First, you will configure the text and field information for a Misc. Member Account Form, using the form name **VOD**. New fields will be available including 60-day average balance, account description, payment frequency, number of times delinquent, etc.

Once the form is set up, it can be printed via the Average Balance Inquiry feature in Phone Operator, or via the “Print Misc Member Account Forms” command on MNSERV like your other forms (use F10-Other Forms). What is unique about this special form is that the VOD form will automatically repeat your chosen fields (such as account number, balance, etc.) for every account the member has.

If you would like assistance setting up your version of the Payoff Statement form, please contact a CU*BASE Client Service Representative. For a nominal fee we can even take your ideas and create the form for you!

 Refer to the booklet, “Miscellaneous Member Account Forms” for details on setting up your “VOD” form. The revised booklet will be available on our web site by Nov. 10, 2004.

Wire Transfer Posting/Tracking System

For some credit unions, wire transfer activity accounts for a large percentage of account adjustments posted by your back office every day. So we wanted to provide some new controls that will allow you to move these tasks from your back office and make them a Teller/MSR process for better efficiency and faster member service, while also adding some helpful tracking tools. Our goal with the new CU*BASE Wire Transfer system was twofold:

- To allow front-line staff to take care of posting the wire and fee to the member’s account—in a single step, without having to remember the appropriate G/L account numbers, and

- To provide additional tracking tools to monitor the wire transfer activity and ensure that each wire is handled to completion promptly and efficiently.

Your credit union will be able to configure special codes that contain all of the accounting information needed to post the wire withdrawal/deposit and fee. In a nutshell, here's how it will work:

Step 1: When a member requests a wire transfer, the teller or MSR uses the new Post Wire Transfer feature (MNSERV or new speed key **WIREP**) to post the withdrawal or deposit and the fee. As part of the process, the teller will also enter the institution and routing information needed to process the wire.

The request is automatically queued up on the Wire Transfer Tracking system, stamped with the date and time of the request.

Step 2: A designated employee will use the tracking system (MNMISC or new speed key **WIRET**) to view outstanding wire requests and post the wire (using the Fedline terminal, etc.) according to normal procedures. After processing the wire, the employee marks the request as "complete" in the tracking system.

The wire details remain stored in CU*BASE for later reference and to allow credit union leaders to analyze wire volumes and activity.

The system is flexible enough so that it can be used any way your credit union wishes, and can be used to enhance or even replace your existing procedures and paperwork.

	Refer to the booklet, "Wire Transfers in CU*BASE" for details. Available on our web site by Nov. 10, 2004.
	Details for all related screens will also be available via CU*BASE GOLD Online Help with the release.

Miscellaneous Enhancements

- **ANR Enhancement** - If your credit union uses the automated "scoring" routine to grant negative balance limits to your member checking accounts, the configuration has been adjusted so that the minimum age limit can be set below age 18. In addition, the monthly routine will now ignore the minimum age requirement for any "MO" type organizational accounts. *Refer to the updated "Automated Non>Returns" booklet for details.*
- **Transaction Override on Timeout Window** - To make it easier to override freezes, check holds, secured funds and par value when performing member transactions, you can now access the Transaction Override command from the CU*BASE Timeout Window (click the Timeout button or press Esc from any CU*BASE screen). The override program will still require an authorized employee ID and password as before. You'll also notice that the override program will now appear on a pop-up window rather than a full screen so you can still see your original screen behind it.
- When viewing **Transaction History** through regular Member Inquiry, you can now use a Toggle button to display the secondary transaction description, similar to the toggle feature available in Phone Operator History.

Other minor changes included with this release will be noted in the "What's New" topic in online help with the release.



In November you will receive a separate flyer announcing the rollout of the new **CU*Answers Online University**, including over 20 brand-new courses including teller skills, loan officer training, fraud prevention and detection education, and more, as well as updated CU*BASE online courses. All classes will be available (free of charge, of course!) when you get this release.

We hope you will enjoy this newest generation of CU*Answers education!