

CU\*BASE

7.2

# CU\*BASE® Software Upgrade

Online Credit Unions	Self Processing Credit Unions
October 15, 2007	November 5-6, 2007

Here we go again! Time to gear up for another important release! This one may *look* small but we probably touched more critical programs than we have in a long time! Remember our coding system as you scan the summary:



### 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.

Updated booklets mentioned in this summary will be available on our website no later than October 10. Updated online help , including the "What's New" summary list of all changes, will be included when you receive the release.



**NEW!** Video demonstrations of some of these new features will be available from the CU\*Answers website ([www.cuanswers.com](http://www.cuanswers.com) > I am a Client > Docs & Information > Sneak Previews) no later than October 10, 2007. These will also be available through the What's New topic in online when you get the release.



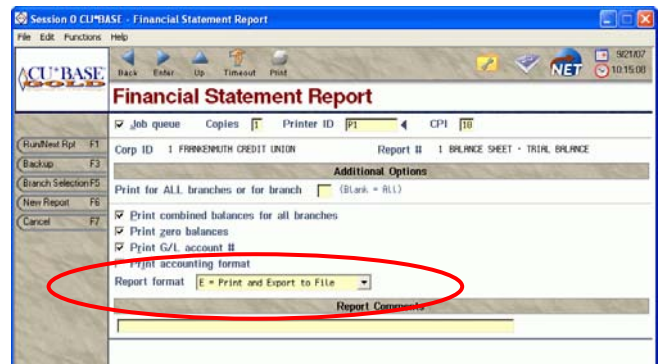
**Watch for this symbol:**

7.2?!? **What's up with the version number?** Effective with this release, we have brought our CU\*BASE host software and the GOLD user interface version numbers into synch with each other, so that we just have one version number to refer to both. We will also begin referring to releases using this version number: for example, this release is "CU\*BASE 7.2" as well as the "Fall Release." This will simplify our version numbering scheme internally and also standardize to a method that is used throughout the software industry. (Not to mention that our releases don't always coincide *exactly* with the seasons!)

## Exporting Financial Statements to Excel

Attention accountants! Now there is an easy way to download your financial statements from CU\*BASE into a spreadsheet or graphical presentation program like Microsoft® Excel.

A new option on the third financial report printing screen (MNGELE #16) will let you view, print, and/or export your financial statement in a format that is more compatible with Excel... **negative numbers will automatically come in properly formatted for use in calculations!** You just specify a filename to store in your QUERYxx library, then use the normal File Download process to pull the file over to your PC and open it as a **comma-delimited** file in Excel.



**NOTE:** You'll need download authority to download the data from the iSeries to your PC - have your Security Officer contact a CSR if you need to authorize your accounting staff!

	Refer to the booklet, "Downloading Your Financial Statements to Excel" for details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.
	Check out a "Sneak Preview" simulation of this new feature (on our website and via online help).

## HSA Accounts Are Here!

If your credit union has already jumped into the Health Savings Account arena, CU\*BASE now has basic tracking tools to make it easier to monitor activity and report the necessary information to the member and the IRS at tax time. While the title implies savings accounts, you can set up both savings and checking account dividend applications to function as HSAs.

Want to talk to some CUs that already have successful HSA programs up and running? Contact Jane Anderson at [janderson@cuanswers.com](mailto:janderson@cuanswers.com) and she can put you in touch with someone from our focus group of credit union leaders who helped us design the HSA tools for CU\*BASE. Our special thanks to Frankenmuth CU and Fox Communities CU for their invaluable support and feedback over the past year!

Although HSAs and IRAs are quite different, the need to track their transaction amounts and annual deposit and withdrawal totals is similar, so we used CU\*BASE IRA tools as a starting point for our HSA programming. Like IRAs, CU\*BASE tools are designed to allow you to open accounts, assign deposit and withdrawal codes to individual transactions, verify balances in an HSA Balance File (similar to the IRA Balance File concept), and handle annual tax-related responsibilities.

In a nutshell, HSAs are dividend applications that have a special flag turned on. When the flag is activated, CU\*BASE knows to create an HSA Balance File record for every member that has an HSA account, and any transactions that are posted must be coded with a valid HSA deposit or withdrawal code, similar to IRAs. Default annual deposit limits can be specified for both single and family plans. You can create these products using either the SH (share) or SD (share draft/checking) Application Type, meaning that if you have set up a separate BIN with your debit card provider, your HSA program can even offer debit card access.

But that's just part of the work...your credit union will need to get educated on all of the nuances and understand the regulations that govern how your HSA program is set up and monitored, far beyond what CU\*BASE does. If you haven't started your HSA program yet, make sure to talk to a Client Service Representative for assistance and advice about the best way to go about offering HSAs to your members!

NOTE: If you have been offering HSAs and tracking them manually, we will be doing some conversion of your existing transaction data as best we can. You'll hear more about the specifics in separate communications.



Refer to the "Health Savings Accounts (HSAs)" booklet for complete details about configuration, opening accounts, routine maintenance, transaction codes, and daily and annual monitoring tasks.


## IRA Codes Now Align with IRS Standards

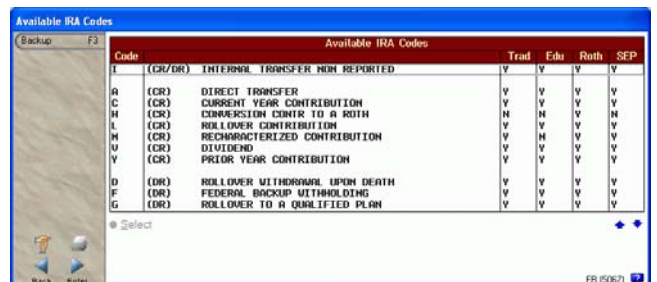
CU\*BASE has had a complete rewrite of IRA Posting Codes with this release. Instead of the alphabetic CU\*BASE codes you've been using, which had to be translated at tax reporting time, we will actually allow you to enter the "official" IRA reporting codes on each transaction. The only interpretation CU\*BASE will do now is to adjust the code according to the IRA Plan Type (traditional, Roth, SEP) for you at tax time.

What does this mean to you?

Your staff needs to learn new IRA posting codes!!

**Every code has changed, so the common ones you've memorized won't be correct anymore!**

Fortunately, there will be a handy lookup button  wherever transactions are posted, showing all available codes organized by credit (CR) or debit (DR) and with indicators showing whether the code is valid for a particular IRA Plan Type. So tell your staff never to enter an IRA code without pulling up that lookup window to make sure the correct code is selected!





Code	(CR/DR)	INTERNAL TRANSFER NON REPORTED	Trad	Edu	Roth	SEP
A	(DR)	DIRECT TRANSFER	V	V	V	V
C	(CR)	CURRENT YEAR CONTRIBUTION	V	V	V	V
H	(CR)	CORRECTION CONTR TO A ROTH	N	N	V	N
L	(CR)	ROLLOVER CONTRIBUTION	V	V	V	V
M	(CR)	RECHARACTERIZED CONTRIBUTION	V	N	V	V
V	(CR)	DIVIDEND	V	V	V	V
V	(CR)	PREVIOUS YEAR CONTRIBUTION	V	V	V	V
D	(DR)	ROLLOVER WITHDRAWAL UPON DEATH	V	V	V	V
F	(DR)	FEDERAL BACKUP WITHHOLDING	V	V	V	V
G	(DR)	ROLLOVER TO A QUALIFIED PLAN	V	V	V	V

## You need to watch your IRA activity carefully!

Every single CU\*BASE transaction posting program had to be changed. We've been working in some programs that haven't been touched for many years. No matter how carefully we test, we know from experience that our clients will find ways to do things that never occurred to us. So you need to keep an eagle eye on your IRA accounts over the next few months, especially this close to year-end.

**IRA COORDINATORS:** You should already be doing this, but especially after the release, **make sure to print the verification report (MNRPTF #9 "Verify IRA Balances Report") regularly**, so you can catch any problems before the rush in January!

	Refer to the booklet, "IRA Processing with CU*BASE" for more details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release

## ! Loan Payment Change History (Part 2)

If you recall, Part 1 of this project was implemented in the Fall 2006 release. For that release we created a new Payment Change History file with associated inquiry (F9-History from the loan Account Inquiry screen), and started gathering this historical data on all loan accounts.

Now we've finished Part 2: We have changed the delinquency calculator to determine a loan's delinquent amount using the number of payments delinquent and the detail of the actual payments involved, instead of using multiples of the *current* payment amount.

In the case where a payment has been consistent for the entire delinquent period, the end result will be the same. The change is designed primarily for loans such as interest-only payment or variable rate loans where the payment amount changes frequently. The system will now be more intuitive to allow these members to catch up their loan payments using the actual payment amounts they were *supposed* to pay.

By using the records in the payment change history file, CU\*BASE can keep track of the true delinquent amount, even for a loan over two months delinquent with multiple payment changes over the year. When a payment is made, the system will check to see whether the amount will satisfy the actual payment amounts that were missed.

For example, say a member missed his \$100 payment in August. During September, the payment amount was changed to \$125. He also missed that \$125 payment in September and October. When November comes around, if he makes a \$100 payment, CU\*BASE will know that amount is enough to satisfy the August payment and will move the due date forward one month. Or if in November the member pays \$225, CU\*BASE would know to move the due date forward two periods, because the amount was enough to cover both the August and September payments.

The process is somewhat more complex for **interest-only loans**, but because of the data being stored in the payment change history file, CU\*BASE has all of the information it needs to determine the payment amounts that should have been paid, and use that information when determining how to handle delinquency calculations—even for loans that have been delinquent more than 2 months, or with partial payment amounts. **No more manual handling required for payments on these delinquent loans!**

	Details on the calculation technique will be available via CU*BASE GOLD Online Help with the release.
---	---

## ! Loan/Share Trial Balance Enhancements

We've added some new functionality to the Loan Share Trial Balance Review (MNMGMT #8). Now this popular management analysis tool has more flexibility for credit unions managing multiple branches. In addition to showing balances and dividend/interest accruals by product category (shares, certificates, loans), you can now summarize and see G/L detail broken down by branch. You can also display G/L detail for individual product G/Ls (dividend application, CD type, or loan category).

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

## ! Member Connect Marketing Tools Enhancements

Our Member Reach contact service team has given us some great input to make CU\*BASE communication tools easier to use and more effective for reaching your members. Take a look at the enhancements we're making with this release...

### Member Connect Message Library

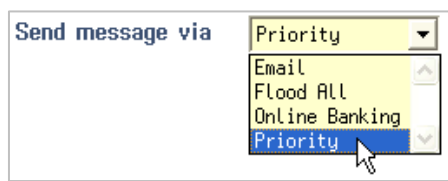
- **Use messages from the CU\*BASE Member Connect library!** Our Member Reach team has composed dozens of messages that have been very effective in reaching out to members. Just like Talking Points gave you a library of paragraphs for your marketing tips, now you can use messages from the Member Connect library to reach out to your members yourself! Copy messages from the library, then save them in your own message library, modifying them if you want to put your own twist on the message. Keep reading for details about how to send electronic messages using the enhanced Member Connect feature.
- **All email and online banking messages are now saved!** You've labored over composing a message, and when you sent it to your members in online banking you got a great response. But now you want to use the same message again as a follow-up...do you have to retype the whole thing? Not anymore...both email messages AND online banking messages that you compose will now be saved in a Talking Points-style library so that you can use the same message over and over again, updating it with current details every time you send it (or not!).

All of your old messages as well as your monthly email statement message (Code ES) will be in your credit union message library when the release is implemented.

### Send Electronic Messages with One Easy Option

Sending email and online banking messages to members is a snap since you can now use the same message for both if you wish, from a single CU\*BASE command. Whether you choose "Member Connect--Online Bank Msgs" or "Member Connect--Email Mktg Msgs" (both are on the MNPRTC menu) you will access the same Member Connect screen shown here.

Like before, you'll enter a database file name that contains the member accounts you want to contact. (Remember that many CU\*BASE inquiry and report features now allow you to export data directly to Member Connect, so you don't even need to understand how to use Query!)



Then when you click the "Online Banking or Email Message" option and select a message from the library (or create a new one), you can choose to send it via online banking, OR email, OR both. Or use the "Priority" option and CU\*BASE will be smart enough to figure out which members have email addresses and send those first, then generate online banking messages only to those members that don't have an email address!

The system is set up to send only one message per member email address; duplicate email addresses will still be ignored. Also, your "From" email address is now being taken from MNCNFE #1 "Online Banking VMS Configuration," so that you don't have to enter it manually every time you send a message.

### New Configurable Credit Union "Signature Line"

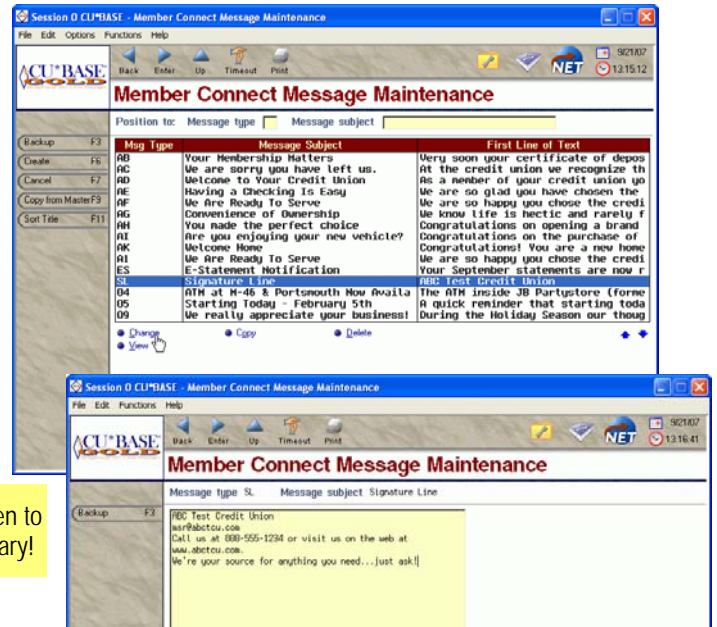
One of the other ideas that came from our Member Reach effort was a way to handle the difference when you communicate to a member via email versus sending them a message that appears when they log in to

CU\*@HOME. With an email, you need to include your credit union name and contact information in a “signature line,” but with CU\*@HOME, since the member is already logging into their account, this type of formal signature line is not really appropriate or necessary.

Because you can now send the same message simultaneously through both channels, we solved the issue by allowing you to set up a separate “message” called a Signature Line (code SL). This will automatically be tacked on to email messages, but not to online banking messages.

To begin, your signature line will be configured as blank, meaning there won't be a signature line for any message you send. If you want to use it (in other words, if you don't want to have to type it manually on every message you compose from this point on), you'll need to modify the text, adding contact information, your credit union's tag line, your email and website addresses—anything you want, up to 5 lines. To do this:

- 1) From the MNPRTC menu, choose #28 “Member Connect Marketing Tools” (options 25 and 26 will also work)
- 2) Enter any database file name that is in your QUERYxx library (you won't actually be sending a message, so any existing file used for a previous message will do)
- 3) Click the **Online Banking or Email Message** button
- 4) Select the “SL” Signature Line item and click the **Change** option



CU\*TIP: Use F9-Copy from Master on this screen to pull in any generic messages from our master library!

- 5) Edit up to 5 lines of text

IMPORTANT: The maintenance screen automatically will word-wrap your text, so if you want to manually start a new line, you'll need to press Ctrl+Enter. Because this will be tacked onto the end of a separate message, a maximum of 5 lines is allowed for your signature line.

- 6) When done, press Enter to save the text, then use F7-Cancel to return to the menu

The next time you send an email message via Member Connect, the system will automatically add these 5 lines to the end of your message text.

### New Option for Editing Your Monthly E-Statement Notification Email

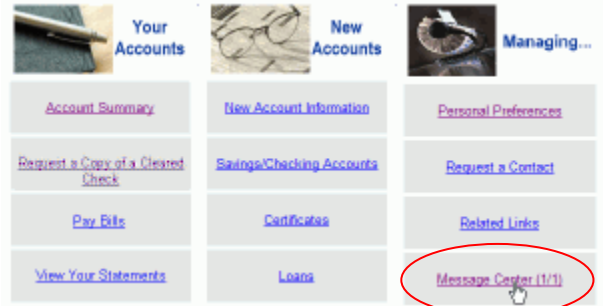
We've modified the configuration for e-statements and put the notification email into the same Member Connect Message library as all your other messages.




You can still maintain this message using the command on the MNPRTC or MNCNFE menu, or you can use the steps outlined above to modify your E-Statement Notification email message (code ES). (This is handy because you don't need to go past the initial configuration screen and risk messing up your fee configuration!)

## Online Banking Messages Now Saved For Members to Review Again!

Starting with this release, after a member reads an online banking message you sent to them, CU\*@HOME will save that message and store it in the secure Message Center.

Members can review the message again at any time by clicking the Message Center button on the CU\*@HOME main menu. (Messages will still be purged from the Message Center 30 days after they have been read.)



	Refer to the "Marketing Campaigns with Member Connect" booklet for details.
	Details for all related screens will be available via CU*BASE GOLD Online Help with the release.
	Check out a "Sneak Preview" simulation of this new feature (on our website and via online help).

## ! Other Miscellaneous Enhancements

### Reason Codes Are Now Required for Closing Accounts!

When closing a sub-account or a membership, your staff will now be required to enter a Reason Code in order to close the account. This helps ensure that your database is complete and that no account is closed without some reason being recorded. Remember that Reason Codes can be a very valuable marketing and management analysis tool to help you understand and respond to why members open and close accounts at your credit union. Are you analyzing this data regularly to make sure you are meeting your members' needs?

**IMPORTANT:** If your credit union does not currently have any codes configured, we recommend you configure at least one now so that staff will be able to close accounts once the release goes in. (Use the "New/Closed Reason Codes/Comments" command, MNCNFC #1.)

### Inactive Credit Card Listing Export

Now you can easily export data from your Inactive Credit Card listing (MNRPTE #24) directly to Member Connect, so that you can produce mailing labels, or send an email/online banking message, or even a selective statement insert. Encourage those members to use their credit union credit card!

### Collections Reports Enhancement

Now you can choose whether or not to print the Tracker conversation details when printing the Collections File Listing report (MNCOLL #1, then F16-Collection Rpts from the main Collections Inquiry screen). You can print the Tracker header information (date, employee ID and Memo Type), all Tracker conversation detail, or no Tracker conversations at all.

### Major Enhancements to Beginning- and End-of-Day Processing

This is one of those projects that is so significant, and touches so many programs, and will streamline and simplify nightly processing so much for CU\*Answers Operations and our Self Processing credit union partners, that we just can't help tooting our horn a little.

In a nutshell, we've established a new way to handle the processing date that the system uses when performing beginning- and end-of-day activity. This is so that we can avoid always having to change the system date on the iSeries in order to perform activity for a date other than the actual date when the process is being run, whether for testing purposes, conversions, or just handling weekends and holidays more efficiently. Sounds simple, right? Well, it was a major undertaking, and we expect it will require a shakedown period before all the loose ends are tied up. But we're excited about the future possibilities!

Most of the really good stuff is all happening behind the scenes, but even online CUs will see at least one change after the release goes in: Reports that are generated as part of end-of-day and beginning-of-day processing will now show two dates on the reporting heading.

Following is a sample report generated as part of BOD. Notice that the first date of September 24 represents the processing, or *business* date, which the report data represents. Below that date, a separate "Run on" date represents the actual day of the month when the report was physically generated, in this case Saturday, September 22.

This is the **processing** date (i.e., BOD for Monday, 9/24/07)

9/24/07	5:51:21	CU*BASE TEST CREDIT UNION
RUN ON	9/22/07	CERTIFICATE DIVIDEND ACTIVITY REPORT

This is the **actual** date when the report was generated (i.e., on Saturday evening, 9/22/07)

A diagram showing a report header with two dates and an arrow pointing to the first date. The header is enclosed in a rectangular box and contains the following text: '9/24/07 5:51:21 CU\*BASE TEST CREDIT UNION' on the top line, and 'RUN ON 9/22/07 CERTIFICATE DIVIDEND ACTIVITY REPORT' on the bottom line. An arrow points from the text 'This is the processing date (i.e., BOD for Monday, 9/24/07)' to the first date '9/24/07'. Another arrow points from the text 'This is the actual date when the report was generated (i.e., on Saturday evening, 9/22/07)' to the second date '9/22/07'.

This only affects reports generated by actual EOD/BOD programs, not separate processes (such as ACH, for example) that also happen to be run overnight. In addition, some of these same BOD/EOD reports can also be run separately on demand; in that case both dates would typically be the same.

**Self Processors:** As you can imagine, this change will have a major affect on your Operations team and nightly activities, and should make it much easier to handle things like weekends and holidays. You'll receive more detailed instructions on how this affects your daily processing in a separate communication when you receive this release.