

CU*BASE[®] MERGER GUIDE

Provided by CU*Answers



Guaranteeing the Difference for Your Merger

As part of this commitment, CU*Answers will assist any CU*BASE credit union with an incoming merger opportunity. No matter the size, CU*Answers is here to assist.

**CU*Answers
makes
credit unions
GO!**

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Look inside for details!

Your CU*BASE Merger

Introduction

As the market conditions change so do opportunities. As a credit union leader you may be in the marketplace actively working on building a merger pipeline as a growth plan for your organization. From a different perspective you may have been contacted by a regulator or another credit union to consider a merge. If you find yourself with the opportunity to merge another credit union with yours, the CU*Answers Merger Management Services is here to provide the expertise and insight to make that a successful process.



**Don't have the expertise?
CU*Answers does!**

Manual vs. Automated Mergers

Which Type of Merger is Right for You?

CU*Answers can offer assistance based on the needs of your merger.

Manual Merger

We would typically recommend that you consider this option when merging a credit union with less than 2,500 members:

- The work can be completed by a CU*Answers team. We will use trial balance reports to create membership records and open share, certificate and loan accounts.
- Our staff will review with you the many data fields in CU*BASE. We can help you determine the appropriate values to put into many of these mandatory fields.
- We will coordinate testing and scheduling with credit union's third party vendors or provide you with recommendations if you want to coordinate the conversion yourself.

Automated Merger

We would typically recommend that you consider this option when merging a credit union with more than 2,500 members:

- We will complete a pre-site visit to review all of the merging credit union's products and services as well as all third-party vendor interfaces to determine the most suitable integration into your current product structure.
- We will create a data conversion plan spreadsheet for your review of how we will integrate the merging credit union's share, certificate and loan products into your existing products and list new products that need to be created.
- We will work with your accounting staff to merge the credit union's General Ledger balances with yours.

In all cases, a timeline is created to guide you and your staff through the merger process.

If you wish, your Merger Coordinator or another CU*Answers staff member can be on site for "live day" with your newest employees and members for an additional fee.

Training

- You will have the option to decide how your new employees will be trained. If you feel your staff are seasoned CU*BASE users, you can provide additional training for new staff.
- The CU*Answers online campus, which you currently have access to, can be used by the new employees to introduce them to CU*BASE.
- Bedrock Training Credit Union is also available for your use.
- CU*BASE CTE (certified training environment) is also available. This is an actual copy of your credit union that can be used to train your new and existing on the actual project and services that are being offered at your credit union today. This training environment does have a setup and a monthly support fee. Find out more at <http://www.cuanswers.com/pdf/education/customized-training-brochure.pdf>
- As additional support, consider using the “buddy system” for your new employees. After the merger, have current staff offer assistance in each department at your new branch.

Scheduling

We often receive a contact from credit unions looking to reserve a date for a merger. To help us with the initial project analysis (without having to disclose who the credit union is) we have created a helpful document provided on the next page. Once completed and returned to our conversion/ merger team it will allow us to determine the project scope and begin to identify available dates that we could support a merger. After receipt of your deposit, the VP of Delivery Services will schedule a date for the data processing portion of your merger to coincide as closely as possible with the membership merger date assigned by your regulatory agency. Our conversion schedule will be taken into account when assigning the date for your merger.

A copy of the approval letter from your regulatory agency should be forwarded to your Merger Coordinator as soon as it is received.



visit [cuanswers.com](http://www.cuanswers.com) for details

Pricing Guidelines

Following are suggested pricing guidelines for CU*Answers to process a merger for a current CU*BASE credit union client merging in a non-CU*BASE credit union. Special considerations may be applicable if both credit unions are CU*BASE clients.

Description	Price
Pre-site Conversion meeting (scheduled at CU location)	\$500 plus applicable T&E
Online Clients: Pre-Member Pricing Guidelines for Automated Data Processing Conversion	
0 - 3,000 Members	\$3.50 per member plus applicable T&E
3,001 - 5,000 Members	\$3.00 per member plus applicable T&E
5,001 Members and above	\$2.50 per member plus applicable T&E
Self-Processing Clients: Pre-Member Pricing Guidelines for Automated Data Processing Conversion	
0 - 3,000 Members	\$4.50 per member plus applicable T&E
3,001 - 5,000 Members	\$4.00 per member plus applicable T&E
5,001 Members and above	Quoted per member plus applicable T&E
Applicable Third-party interface/text fees	Pass-through of vendor fees charged

Other Important Considerations

- Prices shown are guidelines only and subject to change. They may also vary according to complexity of conversion, or other special circumstances.
- Mergers are scheduled on a first-come, first-served basis. A minimum 90-day written notice is required prior to a conversion date being assigned. Based on scheduling conflicts, a manual conversion may optionally be scheduled; pricing to be quoted separately.
- A \$3,000 deposit fee is required at the time of written notice to secure a merger date. This deposit fee will be applied toward the merger fees listed above. Due to scheduling of programming and conversion team resources, once a merger date is assigned, this deposit fee will not be refundable. Additionally, if you request a date change, an additional \$3,000 deposit fee will be required and a new date will be offered as based on CU*Answers then current conversion schedule.
- For existing CU*BASE clients merging in a non-CU*BASE credit union, CU*Answers will waive the Base Member Processing fee for the incoming membership volume for the first 12 months. All other Merger Guide fees shown are applicable. **
- For CU*BASE to CU*BASE mergers, CU*Answers will waive the CU*BASE early contract termination and deconversion programming fees as per the merged-in credit union. All other Merger Guide fees shown are applicable.**
- Merger prices shown include only CU*Answers-supported products. Any third-party product/ vendor considerations, including EFT, bill pay and item processing will be quoted separately.
- For an additional fee of \$1,000, the CU*Answers Merger Management Services will load the YTD GL balances of the merging credit union on merger day. We will also ensure that your LGLACT1 (Member Trial Balance/General Ledger Comparison) is in balance after the merger.

** Requires existing CU*BASE client to fulfill their remaining contract term. If terminated early, in addition to all Services Agreement termination provisions, any Member Processing fees waived as a result of an incoming merger will be fully re-invoiced.

Merging Credit Union Information

ASSET SIZE.....:

NUMBER OF EMPLOYEES:

EFFECTIVE DATE OF MERGER (MM/YY):

NUMBER OF MEMBERS...:

NUMBER OF LOCATIONS:

REQUESTED DATE FOR DATA MERGER:

Account Types (Product Name / # of Accounts)

MEMBERSHIP SHARE.....:

SUB SHARES.....:

SUB SHARES.....:

SUB SHARES.....:

SUB SHARES.....:

BUSINESS SHARES.....:

SHARE CERTIFICATES.....:

CHECKING.....:

BUSINESS CHECKING.....:

TRADITIONAL IRA.....:

ROTH IRA.....:

SEP IRA.....:

COVERDELL SHARE...:

ESCROWS.....:

IRA CERTIFICATES.....:

CHECKING.....:

Loans (Product Name / # of Accounts)

CLOSED END.....:

VEHICLE.....:

365 MORTGAGE.....:

HOME EQUITY CLOSED END:

LINES OF CREDIT.....:

RECREATIONAL VEHICLE:

360 MORTGAGE.....:

HOME EQUITY LOC....:

Third Party Vendors

CURRENT DATA PROCESSOR:

DEBIT/ATM VENDOR.....:

NUMBER OF BINS:

CREDIT CARDS.....:

NUMBER OF BINS:

NATIONAL SHARED BRANCHING:

BILL PAY VENDOR.....:

NUMBER OF ACTIVE SUBSCRIBERS:

IRA ADMINISTRATOR.....:

ESTATEMENT VENDOR....:

ARCHIVING SOLUTION...:

DRIVER'S LICENSE IMAGES: YES NO

RECEIPTS.....: YES NO

LOAN FORMS.....: YES NO

OTHER VENDORS:

SHARE DRAFTS.....:

ONLINE BATCH

NUMBER OF CARDS...:

ONLINE OTB

NUMBER OF CARDS...:

SSO? YES NO

OF ESTATEMENTS MONTHLY:

Merging Credit Union Information

OTHER COMMENTS:



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