
Networking Credit Unions for Growth

A Discussion of CU*BASE
Multi-Corporate Processing
and Other CU Networking Options

INTRODUCTION

CU*BASE supports the ability for credit unions to host or sponsor multiple corporations within a single management structure...*networking credit unions for growth.*

It's easy to fall into the trap of thinking, "if we can run one credit union effectively, how hard can it be to run six of them?" You must remember that credit unions are inherently designed to run as standalone organizations. Business processes, member contact points, the ability to be externally examined and reviewed, and the very sense of identity have developed over generations. It will take work to transform, negotiate, and redesign business processes and stakeholder mindsets to enter the networked world.

The roadmap for selecting how you will design business processes and use CU*BASE and CU*Answers resources is a work in progress. While there are a wide variety of features and advantages built into the software, there are also important limitations and restrictions. Your long-term strategy will most likely combine different strategies, tactics, and software configurations depending on the circumstances of your partnerships and network additions.

Little Details for Big Picture Thinkers

This document is designed to be a general overview of features and configuration options to help you plan and execute on building a network of managed credit unions. It is intended to be a little "in the weeds" to help you think about the right things when you are setting up your plan. Sometimes

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For an updated copy of this booklet, check out the Reference Materials page of our website:
http://www.cuanswers.com/client_specialinterest.php
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you need to get all the way down to the details in order to know what overall decisions and strategies you need to define.

Often, designing the “big picture” requires an understanding of what choices you have in the “little picture.”

At the planning stage you probably aren’t thinking about which credit union name you want printed on your member checks, but that little point should actually give you pause. Will you need an overall “umbrella” identity and, if so, what will it be? How will it be introduced and marketed? Thinking about all of the little decisions that you will need to make about branding should help you figure out what strategic decisions you need to make now.

ABOUT THIS DOCUMENT

Many of the terms, discussions related to product configuration, software illustrations, etc., assume a basic understanding of how CU*BASE works. There are myriad resources for learning about CU*BASE and other CU*Answers tools, including the AnswerBook, online help available via the web or within the CU*BASE software itself, topical reference booklets available from our website, CU*Answers University classroom and online training, and much more.

Visit our website at www.cuanswers.com or contact us via email to csr@cuanswers.com to find out how you can learn more!

OTHER RESOURCES

Contact us for a copy of the following discussions related to networking opportunities:

- ◆ “Partnering With You on the Road to a New Future”
- ◆ “A Million Member Perspective”



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IT'S TIME FOR STEP 2

Hello, credit union strategic leader! If you are reading this book, you have probably already gotten past the ideas around putting two or more credit unions together and networking them as an operational unit. You may have read the “Partnering With You On the Road to a New Future” document and even adopted a new and aggressive strategy to grow through networking credit unions in efficient operational units. So now you find yourself ready to go to work.

This document will talk about some standing resources included in the CU*Answers network that are related to the day-to-day operations of networked credit unions.



STRATEGIES FOR PARTNERSHIPS

You have many decisions to make. But they all start with how fluidly and how interactively you wish the members of multiple credit unions to work with your network resources, and how visible the network will be in the lives of your credit union members.

In other words, are you going to run multiple independent organizations templated one at a time, doing things over and over as a management team? In some cases, you might. But in others, you'll need to be far more creative if you are to harness the opportunities related to working with multiple credit union charters at one time.

You'll probably find yourself having relationships and partnerships at different phases of multiple strategies. Potentially a new partner will approach everything as, “okay, you can manage our membership, but we're going to control all the rates, design all the products...we're going to drive this ship.” But after a while, they start to see that most of the decisions recommended by the professional management team can be blended, can be leveraged, and can effectively improve their members' experience by sharing as part of a network, without losing their independence.

So as a business planner, dedicate yourself to being fluid, to being a teacher, and to be ready to effectively model your network to be inclusive and respectful of the effort of building something new.

WE'RE READY TO GO...BUT THE DESTINATION IS ALWAYS CHANGING

In no way does CU*Answers claim to have all of the answers to your future operational challenges. Like you, we are in search of a new business model that helps credit unions harvest the opportunities of our industry and its hopes for cooperation. Our very name, CU*Answers, does not imply that we already have the answers; it guarantees that we are in search of those answers. We look forward to you joining us in that search.

TEMPLATES FOR SUCCESS

It takes years to make it overnight. The very strategies we are hoping you will adopt for your business model and for your future are the same ones we have been working on for the past decade. Our CUSO is an operational CUSO, designed to coordinate and manage the operations of over 100 credit unions. Our most recent focus is how to do even more...to be part of the business with the members, to lead, to be a participant in the strategies that drive the credit union industry.

So as you start to build your own network and begin to believe that your management team can do more than just focus on just one credit union, our organization is ready to deliver the templates, our experience, and our support directly to your team.

Some examples of successful templates:



- ◆ **Xtend SRS Bookkeeping** uses standard CU*BASE tools to service six or seven credit union operations per day, per bookkeeper. These business units are ready to share business practices, documentation, and operational procedures with you to help you manage your network. Imagine what your team can do with these tools.



- ◆ A rising star at CU*Answers is the **Lender*VP** effort. Lender*VP is a collaborative lending resource to manage loan opportunities across a network. Lender*VP is a perfect template for how your credit union will use CU*BASE tools like Participation Lending, Loan Activity Tracking “Dashboards,” and automated retail-direct network lending. *Coming soon...inter-credit union loan auctioning for driving network loan opportunity.*

- ◆ **CU*Answers' Million-Member Perspective** is the ultimate strategy template for thinking about how five credit unions averaging 10,000 members each can act like a 50,000-member organization. CU*Answers has been developing new analysis tools and processes that go across the network for analysis that gives your management team a unique perspective beyond today's classical standalone core processing offerings. More than tools, this is a new way of thinking about leading credit unions.



CONFIGURING YOUR TECHNICAL PLATFORM

GENERAL OPERATIONAL CONSIDERATIONS

From a software and day-to-day operations standpoint, there are two methods CUs can use to support the management of multiple corporations under the single umbrella of CU*BASE and CU*Answers. There are advantages and limitations to both methods.

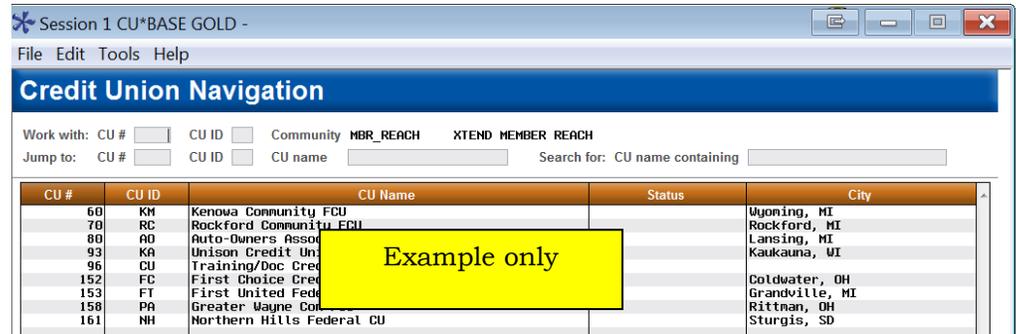
- 1** Method 1 borrows the service bureau concepts currently used by CU*Answers to support multiple credit unions: multiple, separate member databases with a central access point to each individual library, and shared branching tools to allow for centralized teller activity. A single management team can manage back office and accounting tasks for multiple corporations, while each remains completely independent from a software standpoint.
- 2** Method 2 uses multi-corporation tools embedded in CU*BASE to allow for a single, combined member database that lets a management team handle back office and accounting tasks for multiple corporations. And from the teller's point of view, every member is served the same way - no shared branching required.

1

METHOD 1: MULTI-FILES WITH SHARED BRANCHING

With this method, all of the managed credit unions are treated as completely independent entities on CU*BASE. Access to an individual credit union can be controlled two ways:

- ◆ By the login user ID - each staff member would use a different login ID and password to access each credit union library (this is the method currently used by a few of our clients who manage only one other partner)
- ◆ With a new front-end menu similar to what our Client Support team currently uses to access our online clients:



An employee that works for all corporations would use this menu to toggle in and out of each credit union library as needed. For example, a staff member that provided collections services for all credit unions would access a credit union library and navigate to the Collections Functions (MNCOLL) menu to work daily collections. Then he/she would exit that library, access the next credit union, and so on.

Although this method would work well for back office management, teller activity cannot interface to the same teller drawer across multiple file libraries. **Therefore, all teller transactions must be handled through shared branching.**

Duplicate account numbers, although allowed in this situation, might create confusion and risks from updating incorrect records. It would also make it difficult should the separate entities decide to merge later. Therefore, even though not required, it would be advantageous to set up separate account number structures up front to allow for more flexibility in the future.

Through Shared branching, the Phone Op inquiry feature can be used for minimal inquiry and additional transaction processing, but full service would require unique accommodations and special procedures to be worked out for credit union staff.

Several CU*Answers partners have used this method to share data processing and operational costs. While it may appear to be a template for sharing data processing or being an online provider or service bureau, it is far more than that. Credit unions can choose to build their own technical network or manage partners as part of the CU*Answers-provided technical network. Your strategy can go far beyond a technical network; it's about

your people, your management skills, and the opportunity to work with members.

Currently, CU*Answers and Xtend have been able to create great operational efficiencies using this configuration method. Visit www.cuanswers.com and www.xtendcu.org to learn more about how this method is used for shared bookkeeping, member communications, web hosting, and many other functions.



METHOD 2: MULTI-CORPORATE PROCESSING

CU*BASE provides the ability for an organization to run multiple credit unions using one member database (in one file library). A two-digit Corp ID identifies each credit union, and allows for a separate set of books to be maintained for each credit union, managed by a single organization (either a credit union or a managing entity).

CUs who choose this method generally want the teller line to behave like a single credit union and to be able to do G/L activity in a single place: a central resource for managing all entities. Members would still feel like they belong to their own credit union.

Corp 01 must be the managing entity, but that corporation may or may not be a credit union. Corp 01 is where the cash is. All employees belong to Corp 01; all branches belong to Corp 01; all devices belong to Corp 01.

NOTE: There are some challenges to be considered if Corp 01 is a managing entity with no memberships. For example, Corp ID owns the cash, the check deposits, etc., but because they are not a credit union, they do not have an account at CenCorp or other financial institution for funneling the items. It is easier to move money through a financial institution than through a management corporation with limited capital.

In all individual transactions or other activity, Corp 01 is doing a task (management, tellering, whatever shared service they are providing) for Corp 02 or 15. The other corporations are “virtual” credit unions.

Member “Touch Points”

When considering multi-corp processing, you will need to begin making decisions about when the individual credit union is marketed versus the combined entity, via various member touch points:

- ◆ Receipts
- ◆ Statements
- ◆ Notices
- ◆ **It’s Me 247**
- ◆ CU*TALK
- ◆ Forms - Misc. Mbr Account Forms, Loan Forms, etc.

Some of these features allow for individual branding (logos, etc.), some do not. See Page 23 for more information about individual features.

THINKING ABOUT THE FUTURE: DECONVERSION/MERGER ISSUES

In your big-picture planning, also give some thought to what you would want to happen if an individual Corp wants to break away from the group. What if an individual Corp is going to be dissolved and merged into another Corp or into the shared entity?

For example, archived reports and statements will not be available for an individual CU that is pulling away. In addition, de-conversion programming will be required to create non-member records for situations where joint owner/co-borrower/beneficiary links exist to members of other CU corporations.

The remainder of this document explores features and limitations of multi-corporate processing with CU*BASE (Method 2).

*Our recommendation is to go slow...this software has not been used heavily for many years, and therefore new development has not been actively tested to support multi-corp features. It will take a team effort between the credit union and CU*Answers to develop a system. It is what it is. We will determine together what it will become.*



DIFFERENTIATING THE DATA ON THE ISERIES

CU*BASE uses two different pieces of information to identify credit unions:

- ◆ First, there is the **CU ID** which is a unique 2-character alphabetic representation for each credit union (such as WN or AB).
- ◆ Second, there is a unique four digit numeric value (the **CU #**) which is also assigned to each CU (such as 0010 or 3906).

Multi-corporate processing would be set up with each corporate credit union having its own CU # and CU ID. However, only one file library would be used to hold all member/GL data for all corporations. The Customer Master Profile database (CUMSTRPF) includes all data necessary to tie these indicators to a single FILExx library name.

Following is an example of the configuration for a existing multi-corp entity:

<i>CU#</i>	<i>CUID</i>	<i>Corp ID</i>	<i>File ID</i>	<i>Name</i>	<i>ARU/Online Bank ID</i>
3906	ZC	01	FILEZC	Seattle CU Center*	906
3910	ZD	10	FILEZC	Westside CU	910
3912	ZE	12	FILEZC	Financial Services CU	912
3919	ZF	19	FILEZC	Eastside CU	919
3920	ZG	20	FILEZC	Eastside Municipal ECU	920
3927	ZH	27	FILEZC	Kenworth ECU	927
3929	ZI	29	FILEZC	Pacific CU	929

*In this example, Corp 01 is the controlling corporation, but is not actually a credit union.

MEMBER ACCOUNT NUMBER STRUCTURE

THE MEMBERSHIP DATABASE (MASTER)

This is a big one. In CU*BASE, you can assign each member account to a specific corporate ID. It is important, however, to understand that the corporate ID *is not* part of the account key, **meaning that all account numbers across all corporate IDs must be unique**.

The account base in CU*BASE is 9 digits in length. Credit unions that have used the multi-corporate feature in the past used an account number structure where the first 2 or 3 digits of the member account number represented the corporate ID.

If your credit union is looking at using the multi-corporate structure, although not required, it is strongly recommended that you consider allowing for the grouping of member account numbers by corporate ID, such as CCMMMMMM where C=corporate ID and M=member account number. Therefore, in the following account base...



...the 24 at the beginning of the account number represents Corp 24, and the 0012345 represents the rest of the member account base.

THE NON-MEMBER DATABASE (MSNONMBR)

This database (file name MSNONMBR) is used to store information about non-member joint owners, co-borrowers, IRA beneficiaries, etc. The key to this file is the SSN/TIN. The system “links” membership and non-member records through the use of the Secondary Names (SECNAMES) file.

CU*BASE does not allow for multiples of the same SSN/TIN in MSNONMBR, nor duplicates between MASTER (the master membership database) and MSNONMBR. It does, however, allow for more than one MASTER record with the same SSN (for members who have multiple memberships).

In a multi-corporation environment, this means that if John Smith belongs to CU Corp 01 and his wife Mary Smith belongs to CU Corp 02, joint owners would be set up as links to each other’s MASTER record; no non-member records would be needed, despite the fact that Mary doesn’t belong to John’s credit union, and vice versa. (This also means that both John and Mary could each have one or more of their own memberships at both credit union corporations.)

OPENING NEW MEMBERSHIPS

When creating a new membership, staff will need to use the **Unlock Fields** feature in order to specify the member's Corp ID.

The screenshots show the following data:

Field	Value
Corp ID	01 ABC CREDIT UNION
Branch #	01 ABC CU - MAIN OFFICE
SSN/TIN	
Name	MARY MEMBER
Open date	Feb 12, 2014
Membership type	Individual (selected)
Membership designation	MI Individual
Assess fee	<input checked="" type="checkbox"/>
Fee amount	10.00

When creating new membership in CU*BASE, MSRs can assign the appropriate Corp ID by using *Unlock Fields* (F11) on the initial screen. The lookup button  will allow them to choose from a list of configured corporations.

The system will then assign the next available membership account number in that corporation. (The next available number comes from the Chart of Accounts Corporation record - see Page 17.)

CU PRODUCTS

In CU*BASE, share accounts are defined by **Dividend Application** (DIVAPL), certificates by **Certificate Type**, and loans by **Loan Product** (for initial rate quote and setting up the loan app) and **Loan Category** (for servicing after account creation).

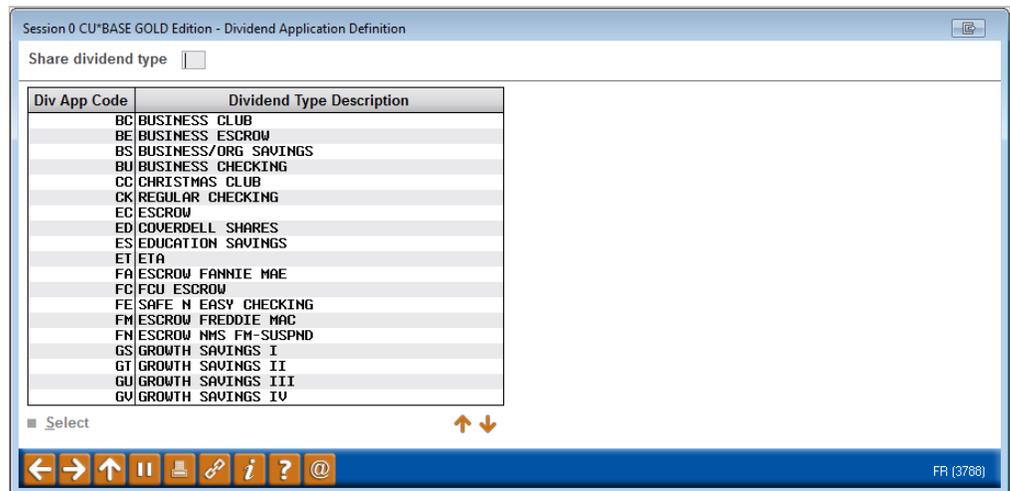
Dividend application codes, certificate type codes, loan category codes, and loan product codes are specific by corporate ID, or you can define them under Corp ID 99 meaning “all corporations.” When a member opens an account, that member’s assigned corporation number governs which product codes will be used.

Overall, each corporation can define 99 loan categories with up to 999 loan products tied to those categories, 99 certificate types, and 600+ dividend applications.

For share Dividend Applications with the “99” corp ID designation, all accounts within that DIVAPL must pay the same rate. Likewise, loan payment recalculation parameters are stored by loan category; therefore, all loans within that loan category must have the same servicing characteristics.

Some of the decisions you make in this area will be affected by the “people factor” even more than any restrictions or capabilities of the software itself. Obviously, the more consistency there is across all corporations, the easier and less complex it will be for your staff to learn and understand—and sell to members. CU*BASE lets you set things up so that there can be as much consistency *and* as much diversity as you wish.

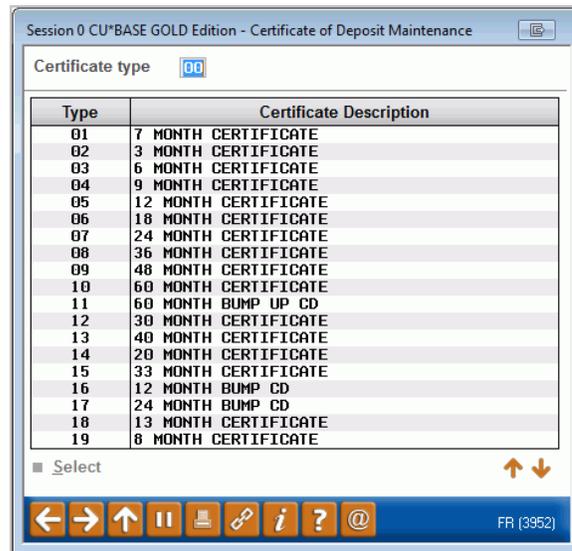
SAVINGS/CHECKING PRODUCTS (DIVAPL)



The only system requirement is that all memberships must have a single “base share” dividend application (usually SH in a single-corp CU) with an account suffix of 000. You can define different DIVAPLs as the base share,

one for each individual CU, cross-referenced in the corporation record in Chart of Accounts configuration.

CERTIFICATE PRODUCTS (CDTYPE)



A CD Type is a 2-digit number code for each certificate product offered to members. CD Type codes can be set up for individual Corp IDs, or with Corp ID 99 for “all corporations.”

Because of the limitation of 99 CD type codes, an individual CD Type can contain up to six (6) different balance ranges—in effect making a single CD Type act like six different products.

NOTE: There is also a separate 2-character code called the “CD Application Type” which separates certificate types for certain servicing parameters, such as dividend payment frequency, calculation type and account suffix range. These codes do not need to be corporation-specific.

LOANS

Loan Product codes are used at the beginning of the loan sales process to quote a rate, handle risk-based pricing, and get the loan application started on CU*BASE.

Once the account has been created the Loan Category code takes over to handle routine servicing parameters such as interest calculation type and payment processing.

Product Codes - for Selling Loans

Loan Product codes are 3-digit numeric codes that can be defined separately for each Corp ID, or as Corp ID 99 for “all corporations.” This means that you can set up generic products that can be used by all corporations, but

also have unique products that are used only by certain corporations, if needed.

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION
File Edit Tools Help

Product Category Configuration

Selection List

Search Options Display Options

Product code Loan category Delivery channel

Product description Corp ID (99 = all)

Corp ID	Prod #	Sequence	Product Description	Loan Category
01	001	00	NEW VEHICLE 27 MONTHS	NEW VEHICLES
01	002	00	NEW VEHICLE 72 MONTHS	NEW VEHICLES
01	003	00	NEW VEHICLE 63 MONTHS	NEW VEHICLES
01	004	01	NEW VEHICLE 51 MONTHS	NEW VEHICLES
01	005	00	NEW VEHICLE 39 MONTHS	NEW VEHICLES
01	008	00	SIGNATURE LOAN - SECURED (COLLATERAL OR COSIGNER)	SIGN LN -SECURE
01	009	00	CLOSED END HOME EQUITY LOAN	CL END HOME EQU
01	010	03	ATV's, Snowmobiles, Jet Ski's, Lawn & Garden, Trai	REC VEHICLES
01	011	00	MOBILE HOME LOAN	SECURED CL END
01	012	10	OVERDRAFT PROTECTION	OVERDRAFT PROT
01	013	06	SHARE PLEDGED LOAN	SHARE PLEDGE LN
01	014	05	SIGNATURE LOAN - NO SECURITY	SIGNATURE LOAN
01	015	00	GOODMONEY	GOOD MONEY LOAN

Change Copy Delete
 View Reassign History

Add New Product

FR (2631) 2/12/14

Loan Category Codes - for Servicing Loans

Loan Category codes are 2-digit numeric codes that can be defined separately for each Corp ID, or as Corp ID 99 for “all corporations.”

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION
File Edit Tools Help

Loan Category Definition

UPDATE

Category code

Code	Description	Code	Description	Code	Description
FM	360 FIRST MORTGAGE	20	OVERDRAFT PROTECTION - G	41	GOLD LOC INTEREST ONLY
PD	GOOD MONEY LOAN	21	BUSINESS R/E FIXED RATE	42	SIMPLY PLATINUM RB 700+/P 1%
01	SECURED CLOSED END	22	BUSINESS LOAN FIXED RATE	43	SIMPLY PLATINUM RB 700+/P 2%
02	OLD STUDENT LOAN	23	BUSINESS LOAN ADJ RATE	44	CLOSED END EQUITY INT ONLY
03	SHARE PLEDGE LOAN	24	BUSINESS CONSTRUCTION MORTGAGE	45	FIX MORT 5 YR 15 AMORTIZATION
04	SIGNATURE LOAN	25	CONSTRUCTION LOAN	46	FIX MORT 5 YR 30 AMORTIZATION
05	SBA REAL ESTATE LOAN	26	BUSINESS LOC INTEREST ONLY	47	FIX MORT 15 YR 30 AMORTIZATION
06	PAYMENT SHAVER NEW VEHICLE	27	COMMUNITY DEVELOP/PARTIC LOAN	48	FIX MORT 15 YR 15 AMORTIZATION
07	ADJUSTABLE RATE MORTGAGE	28	STUDENT LOAN	49	FIX MORT 10 YR 30 AMORTIZATION
08	FIXED RATE MORTGAGE	29	BUSINESS LOAN - TC	50	FIRST MORTGAGE FREDDIE MAC
09	CLOSED END HOME EQUITY	30	COMM DEVELOP/UNSECURED	51	INSURED HOME IMPROVEMENT
10	CLASSIC LOC	31	COMM DEVELOP/REAL ESTATE	52	INSURED LOT
11	GOLD LOC PRIN & INT	32	BUSINESS PLATINUM	53	NEW VEHICLE LOAN - TC
12	OVERDRAFT PROTECTION	33	NEW AUTO LEASE	54	USED VEHICLE LOAN - TC
13	OPEN END HOME EQUITY	34	USED AUTO LEASE	55	SIGNATURE LOAN - TC
14	NEW VEHICLES	35	NEW VEHICLES VARIABLE	56	REC VEHICLE - TC
15	USED VEHICLES	36	USED VEHICLE VARIABLE	57	SECURED CLOSED END - TC
16	RECREATIONAL VEHICLES	37	RV LOAN VARIABLE	58	SHARE/CD SECURED - TC
17	BUSINESS ADJ RATE MORTGAGE	38	ED LOC	59	MORTGAGE - TC
18	PAYMENT SHAVER USED	39	HOME EQUITY - TC	60	FIRST MORTGAGE FANNIE MAE
19	BUSINESS GOLD LOC P&I	40	HELOC - TC	61	RURAL DEVELOPMENT MORTGAGE

Select Select Select

FR (3932) 2/12/14

Loan Product codes are tied to Loan Category codes, which govern the servicing parameters of the loan accounts, including interest calculation, payment matrix (spread), and other related settings.

If a Corp ID 99 category is created, then multiple loan product codes could be tied to it, each of them set up for a specific corporation, so that each CU can offer different rates or risk-based pricing schemes. However, once a loan account is created it would behave the same as all other loans within that loan category (would appear grouped on various loan activity tracking reports, etc.). The only thing separating one loan from another would be the member's own Corp ID.

SPECIAL NOTE REGARDING ONLINE BANKING

All of the configurations described above include features that let you designate certain products as available in **It's Me 247** online banking, either to quote a rate or to allow for an account to be opened (or a loan application to be submitted) online. These same "Rate Boards" can also be displayed independently of **It's Me 247** on your website.

It's Me 247 is currently being enhanced to allow for Rate Boards that are corporate ID sensitive, and therefore would display products according to a member's corporation ID. External rate boards could also be set up for each corporation for display on separate websites. In the meantime, all products configured for display in online banking will display, regardless of corporate ID.

SPECIAL NOTE REGARDING AUDIO RESPONSE

CU*TALK Audio Response has a feature that will read a list of rates for savings, certificate and loan products to members over the phone. This feature can be handled using one of two methods:

1. Rates are read to callers using a recorded voice for the product description, with rates updated in a special CU*BASE feature that is used only by CU*TALK. **This method is not corporate-ID sensitive.** With this method, CU*TALK will read the same generic group of products and rates, regardless of the corporation to which a member belongs.
2. The second method is to use the optional Text-to-Speech engine. In this case, the audio system reads the product names and rates directly from the same configuration used by online banking, eliminating the need for separate rate maintenance just for audio response.

As with online banking, programming changes are in the pipeline to make this second method sensitive to corporate ID, so you could either use generic products that apply to all members (corp ID 99), and/or specific products for individual corporations. In the meantime, if you choose this method, all products configured for display in online banking will be read in audio response, regardless of corporate ID.

GENERAL LEDGER CONFIGURATION

CHART OF ACCOUNTS - CORPORATION RECORD

“Chart of Accounts Maintenance” on the General Ledger (MNGELE) menu,
then enter Corp ID
Screen 1

A separate Chart of Accounts Corporation record is created for each individual corporate ID.

Session 0 CU*BASE GOLD Edition - Chart of Accounts Maintenance

File Edit Tools Help

Chart of Accounts Maintenance

Corp ID **01**

Corporation name **ABC CREDIT UNION**

Address Information

Address line 1 **123 ANY STREET** County **ANY**

Address line 2 Phone # **555 5555555**

City **ANY TOWN** Web URL

State **MI**

ZIP code **55555 0000**

J/E Processing & Posting Features

Fiscal ending month **12** Current process month and year **Nov 2013** [MMYY]

Check reconciliation G/L account **745.15**

New Member Processing

Current processing month/year is equal to period 13 Y/E

G/L check processing - Auto-post J/E after processing

Check distribution bank ID **CI** Location **01** Account **745.15**

Money order distribution bank ID **MI** Location **01** Account **745.16**

Entry corporate change fund ID **TR** Location **01** Account **739.00**

Year end closing G/L account Location **01** Account **960.00**

Suspend

New Company

Delete

FR (2074) 2/12/14

Screen 2

NOTE: This feature is not currently available and the programming will need to be reviewed before activating. However, you can still use the “Last account used” field above to set a different numbering convention for each corporation.

Session 0 CU*BASE GOLD Edition - Chart of Accounts Maintenance

Government ID #

Federal ID #

Federal transmit code

State ID # **0000000000000000**

Payer name control

CU routing/transit #

IRA Withholding

Federal withholding G/L account **841.10**

State withholding G/L account **841.10**

Corporate settlement G/L account **999.19**

New Member Processing

Use corp # for first three digits

Generate account #s If 'Y', last account used **000050969** Increment by **001**

Allow member #s over six digits

Use multiple corporate processing

Regular share dividend application **SH**

Use centralized checking/money orders

New Company

FR (2075)

The corporate settlement G/L account must be specified for all corporations. (Usually 999.## where ## is the Corp ID.)

BRANCHES

Branch locations are also configured separately for all corporations, and the same branch numbers should be configured for each Corp ID.

“Chart of Accounts Maintenance” on the General Ledger (MNGELE) menu, then enter Corp ID & Branch #

The same branch/location numbers should be configured in all corporations.



Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Chart of Accounts Maintenance

Company # 01
Branch # 03
Description BC CU - SOUTH OFFICE

Used by member account
 Allow teller vault

Street address 8131 N MAIN ST
Address line 2
City, state, ZIP ANYCITY MI 49000 0000
County ANYCOUNTY
Phone # 555 5555555

Outside check deposit branch 03
G/L account 745.00
Cash purchase/sell bank branch 03
G/L account 745.01
CU check credits bank branch 03



Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Chart of Accounts Maintenance

Company # 02
Branch # 03
Description BC CU - SOUTH OFFICE

Used by member account
 Allow teller vault

Street address 8131 N MAIN ST
Address line 2
City, state, ZIP ANYCITY MI 49000 0000
County ANYCOUNTY
Phone # 555 5555555

Outside check deposit branch 03
G/L account 745.00
Cash purchase/sell bank branch 03
G/L account 745.01
CU check credits bank branch 03

G/L ACCOUNTS

CU*BASE allows you to set up multiple chart of accounts, one for each corporation. Each Chart needs to be set up separately, however, as a rule, the same G/L accounts should be set up across all corporate IDs.

“Chart of Accounts Maintenance” on the General Ledger (MNGELE) menu, then “Full Chart”

The same G/L accounts should be configured in all corporations.

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Maintain Chart of Accounts

Company: 01 ABC CREDIT UNION

Search Options

Account #

By description

Account	Description	Cash	Type	Rev. Acct	Sts
111.00	INT INCOME - SIGNATURE LOANS PART SECURE	N	I	96000	A
111.01	INT INCOME - BUSINESS REAL ESTATE PARTIC	N	I	96000	A
111.03	INT INCOME - SHARE PLEDGE LOANS	N	I	96000	A
111.04	INT INCOME - SIGNATURE LOANS	N	I	96000	A
111.05	INT INCOME - STOCK LOANS	N	I	96000	A
111.06	INT INCOME - PAYMENT SHAVEN LOANS	N	I	96000	A
111.07	INT INCOME - PAYMENT SHAVEN USED	N	I	96000	A
111.08	INT INCOME - BUS ADJ RATE MORTGAGE	N	I	96000	A
111.09	VIP LOAN INTEREST REBATES	N	I	96000	A
111.10	PAYMENT SHAVEN PREMIUM	N	I	96000	S
111.11	INT INCOME - BUS R/E FIXED RATE	N	I	96000	A
111.12	INT INCOME - BUSIN LOAN FIXED RATE	N	I	96000	A
111.13	INT INCOME - BUS LOAN ADJ RATE	N	I	96000	A
111.14	INT INCOME - CONSTRUCTION LOANS	N	I	96000	A

Change Purpose Procedures

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Maintain Chart of Accounts

Company: 08 CREDIT UNION

Search Options

Account #

By description

Account	Description	Cash	Type	Rev. Acct	Sts
111.00	INT INCOME - SIGNATURE LOANS PART SECURE	N	I	96000	A
111.01	INT INCOME - BUSINESS REAL ESTATE PARTIC	N	I	96000	A
111.03	INT INCOME - SHARE PLEDGE LOANS	N	I	96000	A
111.04	INT INCOME - SIGNATURE LOANS	N	I	96000	A
111.05	INT INCOME - STOCK LOANS	N	I	96000	A
111.06	INT INCOME - PAYMENT SHAVEN LOANS	N	I	96000	A
111.07	INT INCOME - PAYMENT SHAVEN USED	N	I	96000	A
111.08	INT INCOME - BUS ADJ RATE MORTGAGE	N	I	96000	A
111.09	VIP LOAN INTEREST REBATES	N	I	96000	A
111.10	PAYMENT SHAVEN PREMIUM	N	I	96000	S
111.11	INT INCOME - BUS R/E FIXED RATE	N	I	96000	A
111.12	INT INCOME - BUSIN LOAN FIXED RATE	N	I	96000	A
111.13	INT INCOME - BUS LOAN ADJ RATE	N	I	96000	A
111.14	INT INCOME - CONSTRUCTION LOANS	N	I	96000	A

Change Purpose Procedures

SPECIAL TOOLS FOR MULTI-CORP ORGANIZATIONS

CORPORATE SETTLEMENT TIPS TO KEEP IN MIND

- Settlement G/L accounts are generally set up as 999.##, where the ## is the corporate ID. For example 999.01 for Corp ID 01 and 999.19 for Corp ID 19. These are used to settle teller transactions, vault transfers, Miscellaneous Receipts, daily over & short, and the like, between corporations.
- Keep in mind that Corp 01 owns the cash and all the branch vaults. This corporation takes in and hands out all cash. Outside checks also belong to Corp 01.
- Vault differences that are not corrected the same day need to be adjusted to Corp 01 using the special Corporate Settlement Account Adjustment feature described on the Page 21.
- The daily report PGLSET shows daily Corp ID settlement activity for all corporations. You can also use normal CU*BASE G/L inquiry features to ensure that the 999.## settlement G/Ls net to zero across all corporations, similar to the way you manage other daily balancing tasks in CU*BASE.

Sample Daily Corporate Settlement Report (PGLSET)

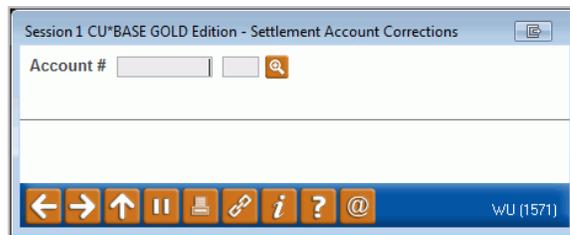
PROCESS DATE	POST DATE	ACCOUNT	-DEBIT-	-CREDIT-	ORIGIN	SOURCE
7/05/07 19:17.31						
		MULTI-CORP TEST CREDIT UNION			PGLSET	PAGE 1
		G/L CORPORATE SETTLEMENT TRANSACTION JOURNAL				
7/05/07	7/05/07					
10 - TESTING CREDIT UNION						
10-070705-TR-000001-00373	7/05/07	02-739.00		50.00	TELLER PROCESSING	
10-070705-TR-000001-00402	7/05/07	02-739.00	400.00		TELLER PROCESSING	
10-070705-TR-000001-00403	7/05/07	02-739.00		50.00	TELLER PROCESSING	
-----*						
10-070705-TR-000001-00832	7/05/07	02-739.00		300.00	CORPORATE SETTLEMENT CLEARING	
10-070705-TR-000001-00833	7/05/07	02-999.10	300.00		CORPORATE SETTLEMENT CLEARING	
-----*						
01-070705-TR-000001-00834	7/05/07	02-739.00	300.00		CORPORATE SETTLEMENT CLEARING	
01-070705-TR-000001-00835	7/05/07	02-999.01		300.00	CORPORATE SETTLEMENT CLEARING	
10 - TESTING CREDIT UNION						
10-070705-TR-000001-00374	7/05/07	03-739.00	921.30		TELLER PROCESSING	
10-070705-TR-000001-00375	7/05/07	03-739.00		2,114.00	TELLER PROCESSING	
10-070705-TR-000001-00392	7/05/07	03-739.00		1,258.54	TELLER PROCESSING	
10-070705-TR-000001-00404	7/05/07	03-739.00	277.57		TELLER PROCESSING	
10-070705-TR-000001-00405	7/05/07	03-739.00		27.00	TELLER PROCESSING	
10-070705-TR-000001-00765	7/05/07	03-739.00		613.87	OUTSIDE CHECK-10	
10-070705-TR-000001-00818	7/05/07	03-739.00	3,072.54		C/U CHECK TOTAL	
-----*						
10-070705-TR-000001-00836	7/05/07	03-739.00		258.00	CORPORATE SETTLEMENT CLEARING	
10-070705-TR-000001-00837	7/05/07	03-999.10	258.00		CORPORATE SETTLEMENT CLEARING	
-----*						
01-070705-TR-000001-00838	7/05/07	03-739.00	258.00		CORPORATE SETTLEMENT CLEARING	
01-070705-TR-000001-00839	7/05/07	03-999.01		258.00	CORPORATE SETTLEMENT CLEARING	

CORPORATE SETTLEMENT ACCOUNT ADJUSTMENTS

This tool allows authorized back office staff to post a member account adjustment where the member is in one corporation but the G/L is in another corporation, such as accounting for a teller overage or shortage on a previous day. (Remember that teller cash belongs to Corp 01, so you would need to use this tool to post across the corporations, rather than a normal account adjustment where both sides of the transaction hit the member's corporation.)

NOTE: Because of the complexity of these types of adjustments and their impact on your financials, we recommend that only select personnel be granted access to this option on your custom menu.

To access this tool, use **Multi-Corp Settlement Adjustment** on the Member Account Adjustment Tools (MNADJ) menu.



Enter an account number and Name ID (if required) and press Enter to display the following screen:

For the *Type* code, click the lookup button  to see a list of available account adjustment codes. These are the same as the codes used by regular account adjustments.

In this field, enter the settlement G/L for the corporation that should be offset (for example, 99901 or 99912).

This will automatically fill in the settlement G/L for the *member's* corporation.

Because this example represented a teller over/short error, the offset G/L entered here is the Cash Over/Short G/L.

Type	Amount	Description	Interest	Principal	Offset	G/L #	Branch
92	100.00	DEPOSIT CORRECTION	0.00	100.00	999.00	01	
		99901 DEPOSIT CORRECTION			330.30	01	

Account # 770 JOHN T SMITH
 Principal G/L 702.02
 Income/Expense G/L 100.02
 Accrued G/L 785.02
 Member branch 01

Status Before Correction
 Principal balance 16,250.00 Interest due 0.00 YTD interest paid 0.00

Status After Correction
 Principal balance 16,250.00 Interest due 0.00 YTD interest paid 0.00

Corp ID 09
 01

Post
 New Account

In this example, the member belongs to corporation 09, and the adjustment is to correct an incorrect deposit amount that was posted to teller over/short a few days ago.

This screen works similar to the regular Member Account Adjustment system, except it is used in cases where you need the adjustment to be posted across corporations, using the configured corporate settlement G/L (999.##).

After entering the amount, description and G/L accounts, use Enter to see the recap at the bottom of the screen, to verify that the proper accounts are being debited and credited. You can make changes now and use Enter again as many times as needed.

When ready, use **Post Error Correct** (F5) to post the adjustment to the member and the general ledger.

MATRIX OF SUPPORTED FEATURES/ CONFIGURATION OPTIONS

The following matrix is an attempt to document the key features and processes that relate to multi-corp processing. **It is NOT intended to be an exhaustive listing of all CU*BASE features or CU*Answers services and products.** All information is subject to change.

- In this context, *Corp IDs Supported* means that the system allows separate configuration, reporting, posting, inquiry, or analysis by individual credit union corporation. If a appears in this column, the feature is partially supported or represents a special situation; see the Comments for details.
- *Corp IDs Not Supported* means that only the parent or umbrella organization is identified or configured.
- *Corp ID Not Relevant* means that the system is flexible enough to allow other means of separating the corporations, or there is no need to treat each entity independently.

<i>Description</i>	<i>Corp IDs Supported</i>	<i>Corp IDs Not Supported</i>	<i>Corp IDs Not Relevant</i>	<i>Comments</i>
Account adjustment configuration codes		■		(Refers to configuration of codes for posting common account adjustments)
Account adjustments		■		Offset G/L determined by member Corp ID only
Account adjustments between corporations	■			See Page 21
Account suffix configuration		■		Universal account suffix numbering scheme across all corporations
ACH processing	■			Chart of accounts corporation record ties the corporation number to the R&T number
Approval Matrix (for 247 Lender or custom decision model)		■		Single approval matrix for all corporations
ATM/Debit cards third-party interface	<input type="checkbox"/>			Custom programming required for all ATM/Debit card interfaces, especially if corporations use different vendors
Auto Non Returns (Courtesy Pay) configuration		■		
Blocked Persons/Fraud Database		■		
Branch/Location configuration		■		Although a branch is configured for each corporation to allow for various behind-the-scenes settlement activity, all branches belong to Corp 01.

Description	Corp IDs Supported	Corp IDs Not Supported	Corp IDs Not Relevant	Comments
Budget by individual CU	■			
Budget consolidated for all Corps		■		Financials for individual corporations can be downloaded and then combined using a separate application if needed
Chart of Accounts (G/L acct numbers) by individual CU	■			
Check order third-party interface			■	Single 3rd-party interface for all CUs (to Liberty, Clarke American, and/or Harland)
Credit bureau reporting	■			Each Corp DU would need to have its own relationship with bureau(s)
Credit card configuration		■		
Credit report pulls (through Zoot)	□			<p>Each CU Corp must be set up with Zoot separately via unique CU #; single configuration record controls misc. settings for how all pulls for all Corps are handled (starting report#, default bureau, retention, etc.)</p> <p>For non-members, the primary applicant's corp ID (either from MASTER or MSNONMBR) is used to default the corp ID on the credit report pull screen in CU*BASE; then all pulls—primary, co-borrower 1, 2, and 3— will all use that corp ID</p>
Cross Sales tracking configuration	■			
It's Me 247 Rate Boards		■		(See also "External Rate Boards") <i>Programming changes are currently underway to allow multi-corp support.</i>
It's Me 247 Transfer Control		■		Members of other corporations cannot be added to a member's transfer control list
CU*BASE GOLD screens		■		All CU*BASE menus will use Corp ID (appears in the Application Info pop-up window after clicking on the corner logo)
CU*EasyPay! bill payment	■			
CU*TALK greeting message	■			Via a unique CU # and ARU/Online Banking access # for each corporation, and/or via a separate dedicated access phone number
Direct/mail posting		■		Offset G/L determined by member Corp ID only; manual G/L settlement between corporations can be done if needed
Dormancy configuration	■			
eAlerts		■		Uses a single "from" email address for all corps
Electronic Deposit Holds and Member In Good Standing configuration		■		
Email notifications (automated tasks such as eAlerts or PIB)	■			
Employee IDs		■		All employees belong to the parent or umbrella organization
eStatement activation, fees/rebates	■			

Description	Corp IDs Supported	Corp IDs Not Supported	Corp IDs Not Relevant	Comments
eStatements - CU*SPY Online Retrieval (COOL)	■			Since each corporate CU has a unique CU #, each can have its own logo (this does require custom programming in the statement programs).
eStatements - CU*CD Archival (COLD)	■			Each corporation is considered a separate credit union and will have separate statement runs for CU*CD archival.
External Rate Boards (outside of It's Me 247)		■		(See also It's Me 247 Rate Boards) <i>Programming changes are currently underway to allow multi-corp support.</i>
Fee configurations (over-the-counter fees)		■		
Financial Statements by individual CU	■			
Financial Statements consolidated for all Corps		■		Financials for individual corporations can be downloaded and then combined using a separate application if needed
Forms - custom loan forms			■	Since each form is custom-designed and may or may not need to include a logo, each would be evaluated on a case-by-case basis
Forms - standard CD-defined CU*BASE laser forms		■		Includes CD forms, Misc. Member Account Forms (including TIS), standard long- and short-form CU*BASE loan apps and Loan Officer Worksheet, and Loan Statement Notices Forms not separate by Corp ID; DIVAPLs and CD types configured for Corp ID 99 must use single form for all Corps; CU address (if printed) comes from Corp 01
ID Verification third-party interface (from Teller/Inquiry/Phone)			■	Single 3rd-party interface for all CUs
IRS tax reporting	■			
iSeries Printer IDs		■		All employees belong to the parent or umbrella entity
iSeries User IDs		■		All employees belong to the parent or umbrella entity
iSeries/GOLD Workstation IDs		■		All employees belong to the parent or umbrella entity
Joint owners/co-borrowers across corporations	■			Member of one CU can have a joint owner that is a member of another CU Corp - link is to that membership number, not to a non-member record
Know Your Members Analysis		■		
Loan Activity Tracking "Dashboard" analysis		■		Combines loan factory activity for all corporations
Loan delivery channel configuration		■		Single configuration controls all corporations.
Loan Variable Rate codes		■		
Logo branding (and greeting message) for It's Me 247	■			Via a unique CU # and ARU/Online Banking access # for each corporation
Logo branding for CU*BASE GOLD workstations		■		Based on file library ID; all employee workstations would show the same logo of the parent or umbrella organization
Logo branding on corporate	■			

<i>Description</i>	<i>Corp IDs Supported</i>	<i>Corp IDs Not Supported</i>	<i>Corp IDs Not Relevant</i>	<i>Comments</i>
checks				
Logo branding on eStatements (CU*SPY/CoWWW)	■			(See also “e-Statements”)
Logo branding on member starter/ replacement checks	■			
Logo branding on printed receipts		■		All receipts will use the parent CU logo; currently looking into adding the individual CU name printed as text only on the receipt
Logo branding on printed statements	■			Since each corporate CU has a unique CU#, they can have their own logo (however this does require custom programming); each Corp is considered a separate credit union and will have separate statement runs
Mail Codes		■		
Marketing Clubs configuration		■		
MASTER membership record	■			When opening new memberships, system will use the appropriate DIVAPL for the 000 base share account according to the Corp ID entered on the initial new member screen
Member service workflow controls	■			A separate workflow configuration must be set up for each Corp ID.
Member surveys		■		
Member transfers between corporations	□			(Refers to transfers between members of different corporations, via various methods such as Phone Op) - Software allows for transfers but requires back office staff to monitor and adjust for settlement between the corporations
MEMBERx account record	■			Corp ID is stored in all MEMBERx account files and in the majority of other member data files
Miscellaneous Posting Codes (Misc. Receipts, Advances, etc.)		■		These codes should be configured with a Corp ID of 00.
New Member/Account Reason Codes		■		
Non-member database (joint owners, co-borrowers, beneficiaries)			■	Single record by SSN/TIN can be used across all corporations
Notices		■		CU name on printed notices comes from Corp 01
ODP configuration	□			Single ODP config for all corps, but NSF/ODP fee config is by DIVAPL and therefore could vary by Corp for independent products
ODP transfers between corporations	□			Refers to ODP transfers between members of different corporations, via various methods - software allows configuration and transfers but requires accounting to monitor and adjust for settlement between the corporations
OTB credit cards third-party interface	□			Custom programming required, especially if corporations use different vendors

<i>Description</i>	<i>Corp IDs Supported</i>	<i>Corp IDs Not Supported</i>	<i>Corp IDs Not Relevant</i>	<i>Comments</i>
OUTQ routing of reports			■	(Relates to report routing and processing, not which reports can be pulled by corporate ID) - There will be one set of OUTQs (output queues) for all corps and all reports (independent of who ran them or for what corporation they were pulled) would be routed to this one OUTQ
Payroll batch posting		■		Offset G/L determined by member Corp ID only; manual G/L settlement between corporations if needed
PIB default profile		■		
Pre-membership lending	■			
Reports	□			The title line for all CU*BASE reports will use the name from Corp ID 01; some reports allow for data to be separated by corporation, either optionally or automatically, others do not, depending on the subject matter being reported
Reports - CU*SPY Online Retrieval (COOL)		■		Because there will be one set of OUTQs (output queues) for all corps, and all reports (independent of who ran them or for what corporation they were pulled) would be routed to this one OUTQ, the system behaves as <u>one credit union</u> to CU*Spy (CoWWW)
Reports - CU*CD Archival (COLD)		■		Because there will be one set of OUTQs (output queues) for all corps, and all reports (independent of who ran them or for what corporation they were pulled) would be routed to this one OUTQ, the system behaves as <u>one credit union</u> for CU*CD
Routing & Transit numbers	□			The system currently supports 1 primary routing and transit number (R&T) and 5 secondary R&Ts. The need for additional occurrences would require file and processing changes.
Service charge configuration		■		
Share draft processors	□			Maximum of 2 different share draft processors can be configured; chart of accounts corporation record ties the corporation number to the R&T number
Third-party interfaces		■		Single 3rd-party interface for all CUs
Tickler Type configuration		■		
Tiered Services configuration/scoring		■		
Trial Balance by individual CU	■			
Vaults/Supplemental vaults		■		All vaults, supplemental vaults, and teller drawers belong to Corp ID 01; All cash belongs to Corp 01
Vendor database	□			Vendor records do not contain a Corp ID, but within an individual vendor can break out annual totals paid by corporation for 1099-MISC reporting by individual CU