

ACH CONVERSION MEMORANDUM

Credit Union:

CU*Answers Conversion Coordinator:

Date:

Subject:

CU*Answers' Programming and Client Support Teams cooperate with your previous processor and third-party vendors to make the transition of data as smooth as possible.

However, in the instance of ACH (Automated Clearing House) through the Federal Reserve we find that in many instances the conversion of member records containing distribution information cannot be accomplished through the use of computer programs.

Why? Because the file received by the Federal Reserve identifies each record through the use of two identifying fields 1) Company ID and 2) Depositor ID. Depositor ID needs to be "linked" to the member account number and suffix on CU*BASE in order to post to the correct account(s). The Depositor ID is 17 characters long and does not have a consistent format. A record with a credit union account number for checking may be 1234-001. The Depositor ID may be 0001234001, or 1234-001, or 1234001, or a Department Number from an employer, or even "Bugs Bunny".

In addition, we cannot review the Depositor ID from the Federal Reserve until the records are received at CU*Answers. In order to avoid many suspended items because a match cannot be made by CU*BASE, we delay the posting process for the first time records are received until a credit union employee manually makes the "link" in the ACH record. This link may or may not have distributions associated.

At the time of your pre-site interview, we tried to determine the Company IDs that would have the highest volume of members and reviewed the Depositor ID for any type of consistent format so that a manual process could be avoided. We will make every effort to do so.

But at this time we want to alert the credit union to assign an appropriate number of credit union employees to make the manual entries daily for the first 30 days after conversion. This task may take extra hours in the morning before the credit union opens for business. The sooner that day's records can be completed, the better it is for Share Draft Processing, ATM availability and lobby withdrawal requests.

Please feel free to contact your conversion coordinator with any questions regarding this notice. Once its content is understood, please sign below and return to the Conversion Coordinator.

ACH CONVERSION STAFFING AGREEMENT

I understand that CU*Answers will make every effort to process our ACH records through the use of cross-reference programs. The credit union understands that in a conversion setting, manual entries will be necessary and will provide extra staff time to avoid inaccurate ACH processing.

The staff person(s) assigned are:

Signature

Date

Credit Union Name