



2016 Focus Groups

CFO Strategies Roundtable

Wednesday, March 23, 2016

9:00am – 12:00pm

CU*ANSWERS
A CREDIT UNION SERVICE ORGANIZATION



Today's Agenda

Audits and Examinations

45 minutes

Let's hear from each other and talk about what's new from CU*Answers and AuditLink

The Future of CU*BASE Budgeting and Modeling Tools

45 minutes

Review recent software releases and our plans for 2017 and beyond

My CU Today Plus A New Web-based Financial Analysis Toolkit

45 minutes

Discuss our plans for this valuable new resource for credit union CFOs, CEOs, and Board Directors

Let's Get Acquainted



- Introduce yourself
 - Name and credit union name
 - Your role at the CU and how long you have worked there

- How do you see the CFO Focus Group opportunity inside our network?

Why a CFO Roundtable?



- ❑ Does it make sense?
- ❑ Can we activate a Focus Group
- ❑ Or should we stick to the Accounting Top 10 Group and CU*BASE tool discussions?

Audits and Examinations



- What is your role in your credit union's examination process?

- What is your role in credit union audits?
 - Financial
 - Others (network, cybersecurity, etc.)

Audits and Examinations



□ The future of **AuditLink**

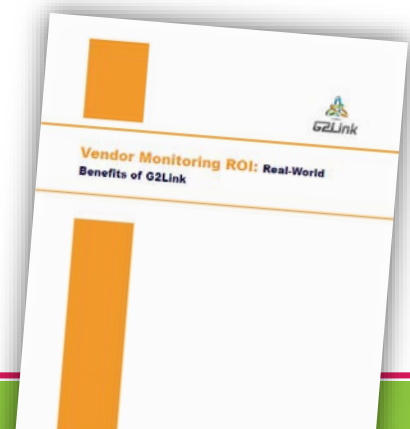
- Introducing Vendor Management via G2Link

AuditLink VM (Vendor Management)

THE REASON AND CHANGING REGULATORY EXPECTATIONS

- ❑ Supervisory focus for NCUA for two years running
 - Knee-jerk reaction
 - Following other regulatory bodies
- ❑ Has now been tied to cybersecurity and is mentioned 11 times in FFIEC guidance papers and assessment tool
- ❑ According to G2Link, **46% of bank exams listed vendor management as a deficiency**
 - NCUA's are probably close or higher
- ❑ Last year at NAFCU's compliance conference NCUA made it very clear it was a priority during exams and that they would be following the FFIEC and OCC in requiring it be a more **dynamic operational process**
 - It is estimated that the cost of monitoring critical vendors will continue increase and potentially double

AuditLink



AuditLink VM

VENDOR MANAGEMENT BASICS



- ❑ Assessing the criticality
 - Is member data involved?
 - Impact of losing the vendor on credit union operations and understanding of how critical it would be to replace them
- ❑ Determining what intelligence you need to have for monitoring and assessing risk
- ❑ Designing a process for gathering business intelligence and frequency of that task
- ❑ Analyzing and documenting the intelligence you have gathered
- ❑ Finally, determining if action must be taken based on your findings

AuditLink VM

THE NEW SERVICE OFFERING

- ❑ Partnered with G2Link
- ❑ Web-based application that continuously monitors vendors
- ❑ Tracks critical events and alerts when the trust of the vendor has been violated
- ❑ Full contract management system with archival and automated notification of critical events
- ❑ Our audience is credit unions, CUSOs, vendors, and regulators

AuditLink



G2Link

AuditLink VM

THE NEW SERVICE OFFERING

- ▣ Developing a new service where the AuditLink team will:
 - Assess vendor criticality
 - Create the companies and categorize them on the monitoring system
 - Create critical event tables with real time monitoring
 - Curate the company and determine what public information to monitor
 - Monitor critical events and alerts daily
 - Communicate with vendors directly related to obtaining the required information
 - Report to the credit union on a monthly/quarterly basis
 - Develop a pool of due diligence information that can be leveraged in many ways

AuditLink



G2Link

CU*BASE Budgeting and Modeling Tools

THE 2016 BUDGET/MODELING RELEASE

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Budgeting Tools

Search for

My Menus

- 5300 Call Report Tools
- ACH/Payroll Processing
- Audit Misc. Configurations
- Auditing Functions
- Back Office
- Check Rpt
- (Coded)
- Acct Adjustment (Full)
- Add Club Members
- ATM Check Digit Calc
- Calc Number of Days
- Calculate Check Digit
- Change Printer Outqueue
- Close Memberships/Accts
- Collateral - VIN# Lookup
- Collection Processing

Menu option

Shortcut

Prep for Budget Assumptions

- 1 Div/Int Base Rate Forecasting
- 2 Div/Int Split Rate Forecasting
- 3 Certificate Repricing Forecast
- 4 Journal History Inquiry
- 5 Trial Balance G/L Verification
- 6 Trial Balance Analysis
- 7 ADB Analysis (Savings & Loans)
- 8 3-Yr GL Acct Balance Comparison
- 9 10-Year Trends by GL Account
- 10 Analyze Loan Portfolio
- 11 Analyze Savings Portfolio
- 12 Analyze Certificate Portfolio

Configure Your Budget Tools

- 16 Lock/Unlock G/Ls for Budgeting
- 17 Budget Groups in Chart of Accts
- 18 Link G/L Accts for Modeling
- 19 Configure Branches to Model

Create/Maintain Your Budget

- 22 Project Asset/Liability Balances
- 23 Model Yield & Cost Projections
- 24 Work With CU Budget

Analyze Your Budget

- 27 View/Analyze CU Budget
- 28 Print Budget Reports
- 29 Variance Analysis
- 30 Print Variance Financial Stmts

Loan Quoter Main Menu

Rate Inquiry Signoff

MNBUDG FR (958) 2/04/16

Two new portfolio analysis tools

Project balances for loan assets and savings liabilities...

...then model the related yield and dividend expense

New tools for printing financial reports and budgets

From the training presentation...



The Future of Modeling

WHAT OTHER MODELING APPROACHES SHOULD WE FOCUS ON?

Current Modeling tools can be used to

- Project growth in asset balances...then project the associated income
- Project growth in liability balances...then project the associated expense

What should be next?

Income / Yield Projection View by GL Account

Corp ID 01 ABC TEST CREDIT UNION Location (All Locations)
 Group 01 CONSUMER LOANS Linked to 17 INCOME FROM ALL LOANS
 Asset 701-01 SECURED CLOSED END LOANS Income 111-30 INT INCOME - SECURED CLOSED END LOANS
 Year 2016

Month/Year	Beginning Balance	Ending Balance	Average Balance	Days in Month	Weighted Rate	Income
Jan 2016	776,173	3,010,218	1,893,196	31	5.000	8,018 C
Feb 2016	3,010,218	3,019,423	3,014,821	29	5.000	11,944 C
Mar 2016	3,019,423	3,029,614	3,024,519	31	5.000	12,809 C
Apr 2016	3,029,614	3,039,477	3,034,546	30	5.100	12,685 C
						13,152 C
						12,769 C
						13,498 C
						13,543 C
						13,149 C
						13,893 C
						13,488 C
						13,983 C
						152,931
						12,744

Project Year End Asset and Liability Balances Budget Year 2016 / Asset

Budget group 01 CONSUMER LOANS G/L acct 701-33 NEW VEHICLE LOANS
 Location All Locations Income 111-33 INT INCOME - NEW VEHICLE LOANS
 Balance 19,526,958 as of Aug 24, 2015 Records used 216 (1 G/L x 12 months x 18 branches)

Month	Beginning Balance	Debit/Disbursement	Credit/Payoffs	Net Balance	Resulting Balance
January	20,000,000			67,945 D	20,067,945 D
February	20,067,945			61,369 D	20,129,314 D
March	20,129,314			67,945 D	20,197,259 D
April	20,197,259			65,753 D	20,263,012 D
May	20,263,012			67,945 D	20,330,957 D
June	20,330,957			65,753 D	20,396,710 D
July	20,396,710			67,945 D	20,464,655 D
August	20,464,655			67,945 D	20,532,600 D
September	20,532,600			65,753 D	20,598,353 D
October	20,598,353			67,945 D	20,666,298 D
November	20,666,298			65,753 D	20,732,051 D
December	20,732,051			67,949 D	20,800,000 D
2016 Projected	20,000,000	0	0	800,000	20,800,000
	1.9 %	%	%	110.5 %	4.0 %
2015 History	19,619,972			380,028	20,000,000
	8.8 %	%	%	75.9 %	1.9 %
2014 History	18,041,208	15,752,146	14,173,382	1,578,764	19,619,972
		0.0 %	0.0 %	26.1 %	8.8 %

My CU Today Plus



- How many of you are already using **My CU Today**?

My CU Today Plus

A NEW WEB-BASED FINANCIAL ANALYSIS TOOLKIT

My CU Today

- We continue to enhance and add capabilities for CFO, CEOs, and Board Directors

The screenshot displays the MY CU TODAY web application interface. At the top, the logo "MY CU TODAY" is accompanied by navigation links for "My Alerts", "Alert Preferences", "Manage Users", and "Trends". A central banner features the headline "Keep Your Finger to the Pulse." and a sub-headline: "MY CU TODAY enables you to understand your credit union better than ever before. You'll never have to say you don't know the latest information happening right now. Your credit union's vitals are at your fingertips." Below this is a login section with fields for "Username:" and "Password:", a "Submit" button, and a "New User? REGISTER HERE" link. The main content area is a grid of six interactive tiles: "ALERTS" (with a bell icon and a "3" notification badge) with a "MANAGE MY ALERTS" button; "TRENDS" (with a line graph icon) with a "MANAGE MY TRENDS" button; "RISK MANAGEMENT REPORT GENERATOR" (with gear icons) with a "SIGN-UP FOR R.M.R.G." button; "POLICYSWAP" (with a document icon) with a "DISCOVER POLICYSWAP" button; "BOARD OF DIRECTORS" (with an organizational chart icon) with a "MANAGE BOARD SITE" button; and "EXAMSHARE" (with a cloud and arrow icon) with a "SHARE EXAMS" button. At the bottom, a section titled "Be empowered." includes the text: "More than ever before, you can now see exactly what is happening on the ground at your credit union. Whether you need to know how many transactions you've processed at your new branch location or whether you have added enough new members to reach your goal throughout your entire organization, MY CU TODAY has the tools for you to be in control." This text is positioned next to a portrait of a smiling man in a light-colored jacket.

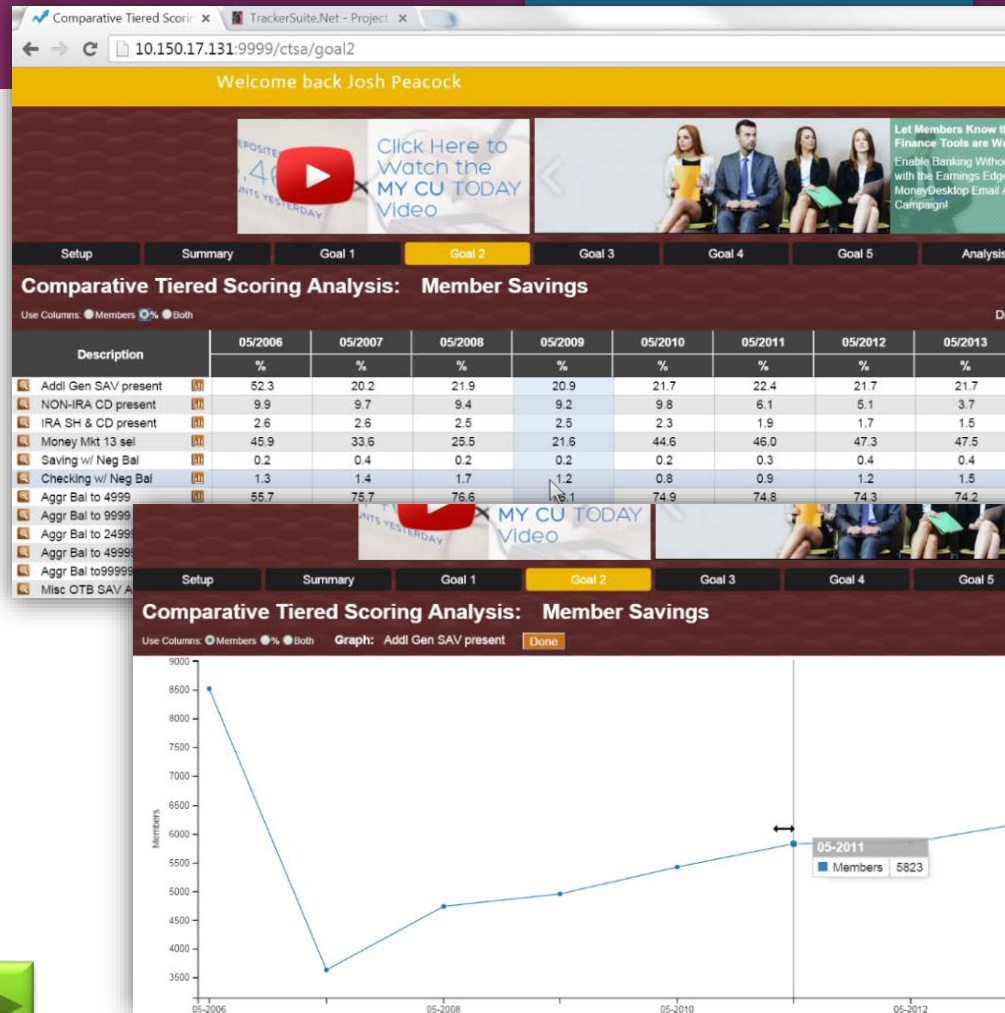


My CU Today Plus

A NEW WEB-BASED FINANCIAL ANALYSIS TOOLKIT

Introducing My CU Today Plus

- Dashboards that mirror CU*BASE tools



My CU Today Plus

A NEW WEB-BASED FINANCIAL ANALYSIS TOOLKIT

What's next?

- Moving your CU*BASE general ledger database to the Internet

Session 0 CU*BASE GOLD Edition - TEST CREDIT UNION

File Edit Tools Help

Financial Statement Inquiry

Corp ID 01 TEST NMT CREDIT UNION Run date Mar 03, 2016
 Period 2/13 to 2/13 Run time 14:29:25

Description	CURRENT PERIOD	LAST YEAR PERIOD
ASSETS		
700-00 SETTLEMENT - S M STATE EMP CU	.00	.00
701-00 PAYMENT SAVER - SUSPENSE	.00	.00
701-01 RE - SUSPENSE	.00	.00
701-02 EFS - SUSPENSE	.00	.00
701-03 PAYMENT SAVER - PAYOFF	.00	.00
701-04 NEW LOAN PRODUCT	.00	.00
701-05 JACK'S LOAN CATEGORY	.00	100.00-
701-10 STUDENT LOAN TEST	.00	.00
702-00 LOANS	.00	.00
702-01 REVOLVING LOC LOANS	.00	.00
702-02 INSTALLMENT LOANS	.00	.00
702-03 REAL ESTATE LOANS	.00	.00

Session 0 CU*BASE GOLD Edition - ABC TESTING CREDIT UNION

File Edit Tools Help

Trial Balance / General Ledger Verification

Corp ID 11 ABC TESTING CREDIT UNION

As of beginning of day Jul 01, 2013 [MMDDYYYY] Monday

Summary

ALL ACCOUNTS ARE IN BALANCE

Application	Trial Balance	G/L Balance	Difference
00 90100 REGULAR SAV	62,592,398.32	62,592,398.32-	0.00
00 90110 BUSINESS/DOR	8,366,585.30	8,366,585.30-	0.00
00 90150 LIFE SAVING	192,707.87	192,707.87-	0.00
00 90151 ETA	0.00	0.00	0.00
00 90160 ESCROW FRED	20,953.99	20,953.99-	0.00
00 90163 FDU REQUIRE	308,091.85	308,091.85-	0.00
00 90164 ESCROW FANN	1,041,606.81	1,041,606.81-	0.00
00 90178 SAVE TO WIN	217,718.15	217,718.15-	0.00
00 90200 REGULAR CHE	9,414,660.27	9,414,660.27-	0.00
00 90201 INTEREST PL	13,319,738.85	13,319,738.85-	0.00
	842,263.73	842,263.73-	0.00

Session 0 CU*BASE GOLD - ABC TESTING CREDIT UNION

File Edit Tools Help

General Ledger Transaction Inquiry

G/L acct # 739.00-00 CHANGE FUND Last post month/year Apr 2013 Current acct bal 2,222,320.57

Date	Br	ID	ID #	Description	Src#/Ck#	Debit	Credit	Result Balance
2/14/2013	08	TR	000001	2237 DAILY TOR 103 / TELLER 14		629.00	0.00	2,300,911.30
2/14/2013	08	TR	000001	2238 TELLER PROCESSING		20.00	0.00	2,300,911.30
2/14/2013	08	TR	000001	2239 TELLER PROCESSING		100.00	0.00	2,301,091.30
2/14/2013	08	TR	000001	2240 TELLER PROCESSING		92.60	0.00	2,301,183.90
2/14/2013	08	TR	000001	2241 LOAN DEPARTMENT PROCESSIN		0.00	17,216.00	2,283,967.90
2/14/2013	08	TR	000001	2242 TELLER PROCESSING		276.60	0.00	2,284,244.50
2/14/2013	08	TR	000001	2243 TELLER PROCESSING		70.31	0.00	2,284,314.81
2/14/2013	08	TR	000001	2244 TELLER PROCESSING		2,917.19	0.00	2,287,232.00
2/14/2013	08	TR	000001	2245 LOAN DEPARTMENT PROCESSIN		0.00	40,796.00	2,246,436.00
2/14/2013	08	TR	000001	2246 TELLER PROCESSING		100.00	0.00	2,246,536.00
2/14/2013	08	TR	000001	2247 TELLER PROCESSING		810.00	0.00	2,247,346.00
2/14/2013	08	TR	000001	2248 TELLER PROCESSING		1,157.25	0.00	2,248,503.25
2/14/2013	08	TR	000001	2249 TELLER PROCESSING		350.00	0.00	2,248,853.25
2/14/2013	08	TR	000001	2250 TELLER PROCESSING		200.00	0.00	2,249,053.25
2/14/2013	08	TR	000001	2251 TELLER PROCESSING		934.91	0.00	2,249,988.16
2/14/2013	08	TR	000001	2252 TELLER PROCESSING		0.00	1,500.00	2,248,488.16
2/14/2013	08	TR	000001	2253 TELLER PROCESSING		100.00	0.00	2,248,588.16
2/14/2013	08	TR	000001	2254 TELLER PROCESSING		0.00	150.00	2,248,438.16
2/14/2013	08	TR	000001	2255 TELLER PROCESSING		156,620.65	0.00	2,405,058.81
2/14/2013	08	TR	000001	2256 TELLER PROCESSING		0.00	14,810.48	2,390,248.33
2/14/2013	08	TR	000001	2257 LOAN DEPARTMENT PROCESSIN		1,080.00	0.00	2,391,328.33

Session 1 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Daily Cash Net Change / General Ledger Verification

Corp ID 11

As of end of day Oct 01, 2013 [MMDDYYYY] Tuesday

EOD Head Trial Balance		G/L Change Fund			
Vault	Net Change	G/L	Location	Net Change	Difference
01 ABC C U - MA	411,376.78	739.00	01	411,350.78	
02	28,894.00-	739.00	02	28,894.00-	
03	19,287.42	739.00	03	19,297.42	
04	6,100.79	739.00	04	6,100.79	
05	8,772.63	739.00	05	8,772.63	
06	6,441.77	739.00	06	6,441.77	
07	0.00	739.00	07	0.00	

Session 1 CU*BASE GOLD Edition - Daily Cash Net Change / General Ledger Verification

Corp ID 11

From Sep 01, 2013 To Nov 20, 2013 [MMDDYYYY]

Branch summary Display date with differences only Display all dates with comments

Date	Vault Net Change	G/L Net Change	Difference
Sep 11, 2013	138,591.93-	138,491.93-	100.00
Sep 10, 2013	477,273.92	477,273.92	0.00
Sep 09, 2013	407,525.94	407,525.94	0.00
Sep 08, 2013	6.67	6.67	0.00
Sep 07, 2013	22,258.86	22,258.86	0.00
Sep 06, 2013	413,207.47-	413,646.21-	438.74
Sep 05, 2013	41,612.97	42,054.00	442.00
Sep 04, 2013	284,511.89-	281,095.07-	2,616.02
Sep 03, 2013	794,377.57	796,049.32	1,671.75
Sep 02, 2013	0.00	0.00	0.00

\$ Amount indicates out of balance. C indicates comments exist.

View Batch Comments Change Description

New Account Search History Double Spacing Analysis

Highlighted rows indicate that the batch has comments.

FR (5081) 8/2013



Thanks
for the
morning!

