
Dividend Donations

Setting up a Plan for Your Members

INTRODUCTION

This automated dividend payment feature allows members to donate a portion (or all) of their share product dividends to a charity via a new dividend payment code. Members can select what percentage of their dividend they want to donate, and your credit union can set up multiple charities from which the member can choose.

Dividends are paid to the member's account as usual, including updating the member's YTD dividend amounts for later tax reporting. Then the designated portion is simply transferred back out of the account to the designated G/L payable account to be sent by the credit union to the appropriate charity. The transaction description on the member's account will include the G/L account description (such as "HABITAT FOR HUMANITY CHARITY DONATIONS") on the transfer transaction.

It is important to note that members will continue to be responsible for paying taxes on all dividends, even the dividends they contribute to the selected charity.

CONTENTS

<u>SETTING UP THE G/L FOR THE CHARITY</u>	2
<u>CONFIGURING THE PRODUCTS AND OPENING THE ACCOUNTS</u>	4
<u>ACCOUNT TRANSACTION DETAILS</u>	7

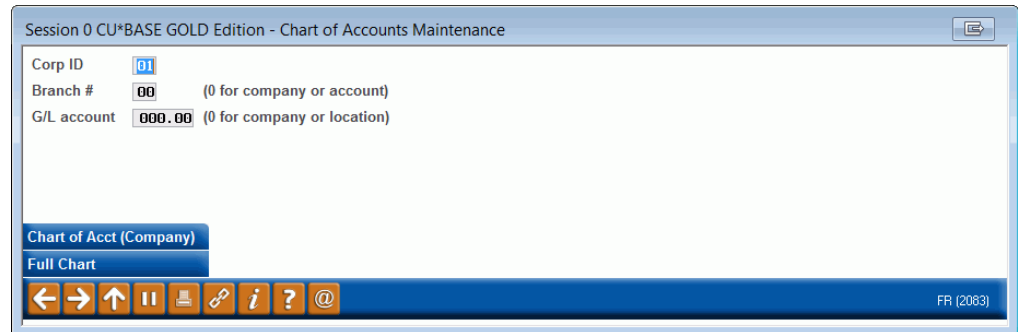
Revision date: March 19, 2017

For an updated copy of this booklet, check out the Reference Materials page of our website:
http://www.cuanswers.com/client_reference.php
CU*BASE® is a registered trademark of CU*Answers, Inc.

SETTING UP THE G/L FOR THE CHARITY

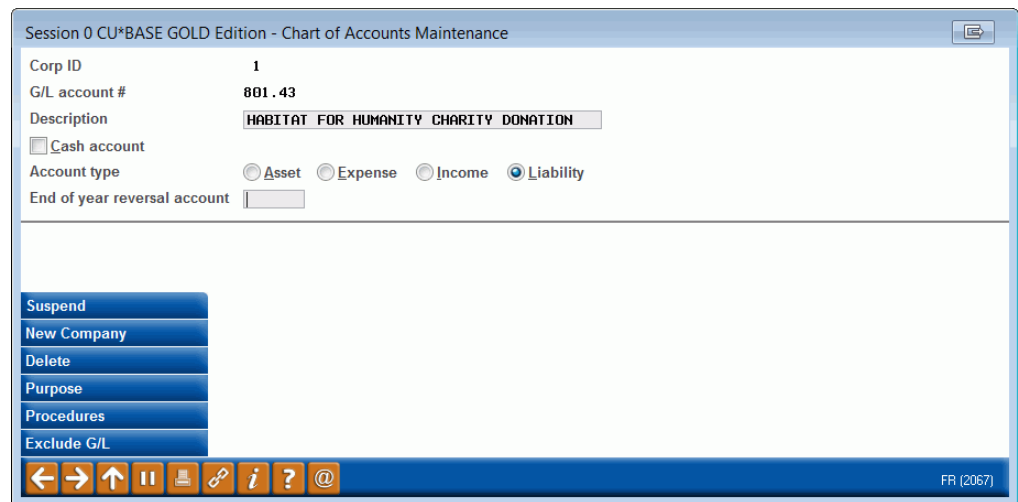
In order to offer a Dividend Donation program, you must first set up a G/L that is associated with each charity. This way, the members dividends can be transferred into the G/L.

Chart of Accounts/Budget Groups Maint (Tool #202)



Fill in the G/L account associated with the charity and press Enter.

Screen 2



On this screen, enter the Description. This text will be used as a secondary transaction description for all dividend transfers made to this G/L, and will appear in Phone Operator transaction inquiry and Inquiry in CU*BASE. The members will see this text in **It's Me 247** online banking as well as on their statement. Select an Account Type of Liability.

Once you have added this G/L, it will appear in your Chart of Accounts Inquiry.

Chart of Accounts Inquiry

Session 0 CU*BASE GOLD - ABC TESTING CREDIT UNION

File Edit Tools Help

Chart of Accounts Inquiry

Corporate ID 01 ABC TESTING CREDIT UNION

Search options:
Account # By description

Account #	Description
80143	HABITAT FOR HUMANITY CHARITY DONATION
80222	CREDIT CARD SETTLEMENT
80500	OUTSTANDING CORP DRAFTS - TC
80510	OUTSTANDING MONEY ORDERS - TC
80702	SAVINGS BONDS-CLOSED
81020	A & H INSURANCE PAYABLE
81030	SERVICE CENTERS/ATM PROCESSING PAYABLE
81031	ATM TIMING DIFFERENCES
81032	ATM CLEARING TRC
81033	ATM DEPOSITS
81034	RICHVILLE ATM DEPOSITS
81035	PAXON ATM DEPOSITS
81036	GATEWAY ATM DEPOSITS
81040	MORTGAGE LIFE INSURANCE
81050	CO-OP NETWORK/ATM PROCESSING PAYABLE
81060	MONEY ORDERS PAYABLE
81070	TRAVELERS CHECKS PAYABLE
81080	CANDY BARS PAYABLE

Purpose
Procedures

Navigation icons: back, forward, up, down, refresh, print, link, info, help, search

FR (4989) 7/30/13

CONFIGURING THE PRODUCTS AND OPENING THE ACCOUNTS

Savings/Checking Products Configuration (Tool #777) > Dividend Information Tab

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

File Edit Tools Help

Share Account Setup Update

Dividend application **GS** Corp ID **01** ABC TESTING CREDIT UNION

General Account Information **Dividend Information**

Start date **Feb 01, 2013** [MMDDYY] Next pay date **Mar 01, 2013** [MMDDYY] Calc date **Feb 16, 2013** [MMDDYY]

Pay frequency **Monthly** Dividend calculation type **Simple daily (accrual)**

Minimum balance to earn a dividend **5,000.00**

Minimum balance penalty code **Daily compare**

Dividend pay code **Transfer to G/L** Allow change on account open Plateau dividend

Create Secured Shares Record

HSA

Base rate **0.10**

Qualified dividend processing (A = use config, or enter 3rd-party code)

i Dividend rates are entered using Member Rate Maintenance on the "Management Processing/Dashboards" menu.

Suspend Save Skip Qualified Dividends ARU/Online Banking Checklist

← → ↑ ↓ ⌂ 🔗 ? @ FR (2749) 01/16/13

If you leave the *allow change at account open* checked, the teller can select the Payment type of *Transfer to G/L* when the account is opened. (If you configure the *Dividend pay code* to *Transfer to G/L* then they will not need to change it at account open, since it will default to this option.

Opening an Account

When the teller or member service representative opens the account for the member, he or she will select the *Transfer to G/L payment* code (if it does not already default to this option).

Selecting the Transfer to G/L Dividend Payment Code

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

File Edit Tools Help

New Account Creation

 Individual

Name **MARY MEMBER** Joint Owner/Beneficiary

New account # **081** SAVINGS I

Opened **Jul 30, 2013** Corp ID **01** Member branch **01**

Dividend Payment

Dividend pay code **Transfer to G/L**

Transfer to G/L #

- Transfer
- Addback
- Check
- Transfer to G/L

Overdraft Service for ATM & Everyday Debit Card Transactions

Opt in/out: IN = Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
 OUT = Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions

Verified **Jul 19, 2013** By ;y

Create
Skip
Work Checklist
Procedures
Unlock Fields

FR (2416) 7/30/13

The *Transfer to G/L account* and *Transfer %* fields will then appear. The G/L associated with the member's selected charity is entered along with the percentage of dividends the member wishes to contribute. Any dividends that are not transferred will remain in the original account. In the example below the member has selected to transfer 50 percent of her dividends to the charity attached to the G/L account 801.43.

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

File Edit Tools Help

New Account Creation Individual

Name **MARY MEMBER** Joint Owner/Beneficiary

New account # **001** **GROWTH SAVINGS I**

Opened **Aug 13, 2013** Corp ID **01** Member branch **01**

Dividend Payment

Dividend pay code **Transfer to G/L**

Transfer to G/L # **801.43** Transfer % **050**

i This screen allows you to select a member's Opt In/Opt Out Reg E selection (at the bottom of the screen with the two checkboxes). These checkboxes allow for a selection at the membership level.

Overdraft Service for ATM & Everyday Debit Card Transactions

Opt in/out: IN = Member wants the CU to authorize & pay overdrafts on ATM & everyday debit card transactions
 OUT = Member does NOT want the CU to authorize & pay overdrafts on ATM & everyday debit card transactions

Verified **Jul 19, 2013** By ;Y

Create
Skip
Work Checklist
Procedures
Unlock Fields

FR (2416) 8/13/13

If the member chooses to change their contribution percentage or the charity to which they want to contribute, you can adjust this using **Tool #20 Update Account Information**.

Session 0 CU*BASE GOLD Edition - Account Information Update

File Edit Tools Help

Account Information Update REGULAR OR SUB-SHARE ACCOUNT

Account # **000** Last maintenance date **Jul 31, 2013**

MARY MEMBER Current balance **35,945.44**

123 MAIN STREET Account opened by MSR **SU**

ANYCITY MI 49000 Date opened **Aug 23, 2006** [MMDDYY]

Last accrued date **Mar 11, 2013** [MMDDYY]

Dividend post code

Accrued dividend **3.76**

Dividends paid: Q1 **6.23**
 Q2 **0.00**
 Q3 **0.00**
 Q4 **0.00**

Accum balance **1,376,746.72**

Accrued club benefit **0.00**

YTD club benefit **0.00**

Dividend pay code **Transfer to G/L**

TRANSFER TO G/L ACCT

Dividend transfer G/L **801.43** Transfer % **050**

Dividend application **GS** G/L account **902.51**

of withdrawals **01** # of transfers **00**

Joint Owner #1
 Joint Owner #2

of Joint Owners **0** # beneficiaries **1**

Secured balance **0.00**

Minimum balance **35,835.44**

Annual backup W/H **0.00**

Uncollected amount **225.00**

1st date negative **00000000** [MMDDYYYY]

ATM network ID # **0000000000**

ATM overdraws **00** # ATM withdrawals **000**

Freeze **0 = All Activity Allowed**

Club check Club transfer

Misc charge **0** Passbook process ID **0**

Statement indicator **0**

Jt Owner/Beneficiary Checklist Div Check Pay To

FR (2449) 7/31/13

If you allow adjustment to the Dividend Payment Code this field will be a drop-down menu. Here you can also change the transfer to G/L and percentage amount.

ACCOUNT TRANSACTION DETAILS

Using Transaction History in either Phone Operator or Inquiry, you can see the record of the dividend transfer. Use *Toggle Description* to view the Description of the G/L.

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

File Edit Tools Help

Transaction Inquiry GROWTH SAVINGS I

Account # GROWTH SAVINGS I Current balance 35,945.44
 Name MARY MEMBER Available 35,720.44

Search by: Date [MMDDYY]

Business Date	Activity Date	Activity Time	Amount	Balance	Description	Transfer Acct	ID	Suppressed	Print Receipt
10/01/12	10/01	03:36	2.82	34,525.81	SHARE DIVIDEND		90	N	
10/11/12	10/11	15:58	262.50	34,788.31	GROWTH I DEPOSIT		EK	N	
10/12/12	10/12	16:28	126.22	34,914.53	GROWTH I DEPOSIT		28	N	
11/01/12	11/01	02:39	2.93	34,917.46	SHARE DIVIDEND		90	N	
11/07/12	11/07	16:56	961.25	35,878.71	GROWTH I DEPOSIT		EK	N	
12/01/12	12/01	03:18	2.92	35,881.63	SHARE DIVIDEND		90	N	
12/10/12	12/10	14:04	1,047.58	36,929.21	GROWTH I DEPOSIT		EK	N	
12/10/12	12/10	14:04	100.00-	36,829.21	GROWTH I CASH W/D		EK	N	
1/01/13	1/01	04:17	3.10	36,832.31	SHARE DIVIDEND		90	N	
2/01/13	2/01	02:26	3.13	36,835.44	SHARE DIVIDEND		90	N	
3/01/13	3/01	02:12	2.82-	36,838.26	SHARE DIVIDEND		90	N	
4/01/13	4/01	02:15	3.13	36,841.39	SHARE DIVIDEND		90	N	
2/01/13	2/01	02:26	3.13	36,835.44	SHARE DIVIDEND		90	N	
2/17/13	2/17	11:09	1,000.00-	35,835.44	GROWTH I CASH W/D		92	N	
7/25/13	7/25	13:15	100.00-	35,735.44	OUTGOING WIRE		;V	N	
7/25/13	7/25	13:15	15.00-	35,720.44	OUTGOING WIRE FEE		;V	N	
7/26/13	7/26	10:20	225.00	35,945.44	GROWTH I DEPOSIT		92	N	

Additional Transaction Information Retrieve e-Receipt

Debits Only Credits Only Show All **Toggle Description** Secured Balance Hist

FR (3774) 7/31/13

If you click *Toggle Description*, the secondary description, or the configured Description of the G/L will be shown.

Below is a view of the Transaction Detail record.

Session 0 CU*BASE GOLD Edition - Additional Transaction Information

Account MARY MEMBER Transaction sequence # 03603

Description HABITAT FOR HUMANITY CHARITY DONATION Activity Date Mar 01, 2013 Activity Time 02:12:59

Business Date	Amount	Balance	Description	Transfer Acct.
Mar 01, 2013	2.82-	36,838.26	SHARE DIVIDEND	

FR (395)