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# Effective Dating for Member Transactions

## Posting **Transfers** and **Account Adjustments** to an Effective Date *(with automatic adjustments to dividends and interest)*



A CU\*BASE “Unlock the Date” Feature!

### INTRODUCTION

CU\*BASE has special tools that let you post a transaction to a member’s account and have the system automatically calculate the adjustment to interest or paid dividends according to the effective date of the adjustment. In a nutshell, it *effectively* back-dates simple, common types of transactions with a notation in transaction history indicating the effective date.

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For an updated copy of this booklet, check out the Reference Materials page of our website:  
<https://www.cuanswers.com/resources/doc/cubase-reference/>  
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# SUPPORTED FEATURES

Following is a table of supported features for effective-dated account adjustments and transfers.

	X <i>Currently Supported in CU*BASE</i>	6 <i>Not Currently Supported</i>	<i>Comments</i>
<b>Savings/Checking/IRA Shares</b>			
Average Daily Balance Dividend Calculation	X		
Simple Daily Dividend Calculation	X		
Compound Simple Daily Dividend Calculation		6	
<b>Certificates/IRA Certificates</b>			
All Dividend Calculations		6	No current plan for effective dating support
<b>Loans</b>			
365-day Interest Calculation	X		Must be no transactions posted since effective date; cannot have an attached escrow
360-day Interest Calc. (Mortgages)		6	
360/365-day Interest Calc. (Business Loans)		6	
Average Daily Balance Interest Calc. (Credit Cards)		6	
<b>Miscellaneous Features</b>			
Effective dating of debits (withdrawals/disbursements)	X		
Effective dating of credits (deposits/payments)	X		
Automatic calculation and adjustment of dividends or interest	X		
Automatic calculation and recommendation of interest due to be credited to the loan	X		If no other transactions have been posted since effective date
Automatic adjustment of accumulated balance (for Average Daily Balance calc; current period only)	X		
Automatic calculation of dividend adjustment even if subsequent transactions exist	X		Savings/Checking products ONLY
Automatic calculation of interest adjustment even if subsequent transaction exist		6	Reverse subsequent transactions prior to posting adjustment
Automatic payment of delinquency fines as part of the effective-dated transfer or adjustment		6	Can be done manually via effective-dated account adjustment (see Pages 19 and 27)
Effective-date to a future date		6	
Post multiple effective-dated adjustments simultaneously		6	
Memo explanation recorded in secondary transaction description	X		

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# OVERVIEW

Have you ever had to post an account adjustment to handle something like a missed deposit, a deposit that was credited to the wrong account and not caught for several days, or mail that was not posted immediately on the day it was received? Then you know that it can be tricky to account for the differences in dividends or interest that also need to be calculated and posted to the member's account, to bring it in line with where it *would* have been, had it been posted on the right date in the first place.

Depending on the situation, CU\*BASE has two tools that can be used to make the necessary adjustments:

## ❶ Member Transfers

With this method, a teller or MSR can transfer funds from one account to another and choose an effective date. The system will calculate and post an adjustment to dividends or interest to both accounts as needed.

The most common reason for this method is to correct a situation where money was put into the wrong account (deposited to the wrong savings account, payment made to the wrong loan, etc.) on a date in the past. The transfer not only moves the money from the wrong account to the right one, but simultaneously adjusts dividend or interest amounts as required to bring each account back to the position where it should be.

*In this case the dividend/interest amounts cannot be adjusted manually; they must be posted exactly as calculated by the system. If you wish to change what the system calculates, use the Effective Dated Account Adjustments feature instead.*

## ❷ Account Adjustments

This method is helpful where only one account needs to be adjusted. This is designed to handle situations such as a missed deposit, mail that was not posted immediately on the day it was received, and similar situations. With effective-dated account adjustments, you can post a debit (withdrawal/disbursement) or credit (deposit/payment) transaction to a member's account and have the system automatically calculate the adjustment to interest or dividends according to the effective date of the adjustment.

This method is also necessary if you need to make other manual corrections to the account, beyond what the system calculates automatically (for example, if you want to change the calculated dividend adjustment amount to give the member additional dividends for some reason), since the transfers system does not allow changes to the calculated interest/dividend adjustment.

In a nutshell, both tools adjust the most common types of transactions with clear notations in transaction history that inform the member about the effective date of the adjustments.

## **DISCLAIMER**

This is *not* back-dating. We do not insert the transaction using a prior date, as if it had been posted then. We simply calculate the net effect on interest and dividends, and then post a transaction *today* that brings the account in line. And as you'll see, there are many necessary rules and guidelines the system must follow to allow for effective dated adjustments to be made, some of which are even configurable by you.

Also remember that these tools are designed to handle the most common situations. There will be times when the complexity of the situation or the member account status will still require additional manual calculations/adjustments and account maintenance to be performed.

If you aren't sure which tool is the right one to use, or if the tools will work for a particular member situation, contact a CSR and we'll be happy to assist!

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# RULES FOR EFFECTIVE-DATED TRANSACTIONS

## GENERAL RULES

The sections below outline specific rules based on the type of account. Here are a few general rules to keep in mind as well:

- Adjustments cannot be effectively dated in the future; the effective date must be in the past.
- Adjustments can be done to effectively date both debits (withdrawals/disbursements) and credits (deposits/payments).
- Although transfers do post two transactions (a withdrawal and deposit) and can involve two separate accounts, if you need to post a batch of effective-dated transactions to multiple accounts (such as if on Monday you are posting the mail from Friday), you will need to post each transaction separately, one member at a time, using the Effective Dated Account Adjustments feature.
- Remember that transactions are not posted *on* the effective date; they are entered into transaction history as of the date you enter the information and post it. In other words, past transaction history will not be affected. However, the system determines the effect on dividend/interest amounts that the member earns/pays as if the transaction *had* happened on that effective date.

## Special Rules for Savings/Checking Products

- Dividends paid will always be added to the “quarterly dividends paid” bucket for the **current period** (the day you post), not the effective date’s quarter.
- Effective dating tools **never touch dividend accrual buckets**, due to the need to be able to do a dividend regeneration at a later date.
- The dividend adjustment calculation will always use the **current rate** from the Dividend Application.

Both features will support effective-dated adjustments for savings, IRA savings, and checking Dividend Applications with the following dividend calculation types:

<i>Dividend Calc Type</i>	<i>How Adjustments are Handled</i>
Average Daily Balance	If posting a savings deposit with an effective date in the <b>current dividend period</b> , all the system needs to do is adjust the accumulated balance amount that is used to determine average daily balance, so that when dividends are later calculated and paid, the correct daily balance is used for the period.

Dividend Calc Type	How Adjustments are Handled
	<p>For example, if you missed a \$1,000 deposit that should have been made a week ago, the system must add \$1,000 to the accumulated balance field for each day that has passed since the effective date (1000 x 7).</p> <p>If posting a savings deposit with an effective date in the <b>prior dividend period</b>, the system will use a simple-daily dividend calc method to calculate a recommended adjustment to dividends paid, posting it as a separate transaction <i>today</i> with an effective date notation. The system will also adjust the accumulated balance for the current period, as described above, <i>including</i> the amount of the dividend adjustment.</p> <p>For example, say on Feb. 15 you need to post a deposit that should have happened on January 20, and dividends were already paid on January 31. The system will estimate dividends for the 11 days in January using a simple-daily calculation (<i>balance change at the base rate for that number of days</i>), and also adjust the accumulated balance field for the days in the current period (Feb. 1 to 15) for both the balance and the extra dividends that should have been paid in that prior period.</p>
Simple Daily	<p>Whether the effective date is in the current or prior dividend period, for this calculation type, the system calculates and posts a single transaction to adjust dividends (pays whatever is owed or subtracts whatever was overpaid), posted <i>today</i> with an effective date notation. Accruals are <i>not</i> affected.</p> <p>The calculation is exactly the same as what is used to calculate regular dividends. (<i>This calculation method is thoroughly documented in CU*BASE GOLD online help; index keyword "dividend."</i>)</p> <p>Dividend or interest adjustment amounts are calculated based on the amount of the <i>adjustment</i> (the extra being deposited or the amount being withdrawn), not a recalculated account balance.</p> <p>We will still update the accumulated average daily balance on the account, but for the adjusted balance amount only, not the dividend amount (although for the simple daily calculation type this balance is informational only).</p>

The Compound Simple Daily dividend calculation is not currently supported by effective dating tools.

### Special Rules for Certificates

- At the current time neither the Effective Dated Account Adjustment nor the Effective Dated Transfers feature can be used on certificate accounts.

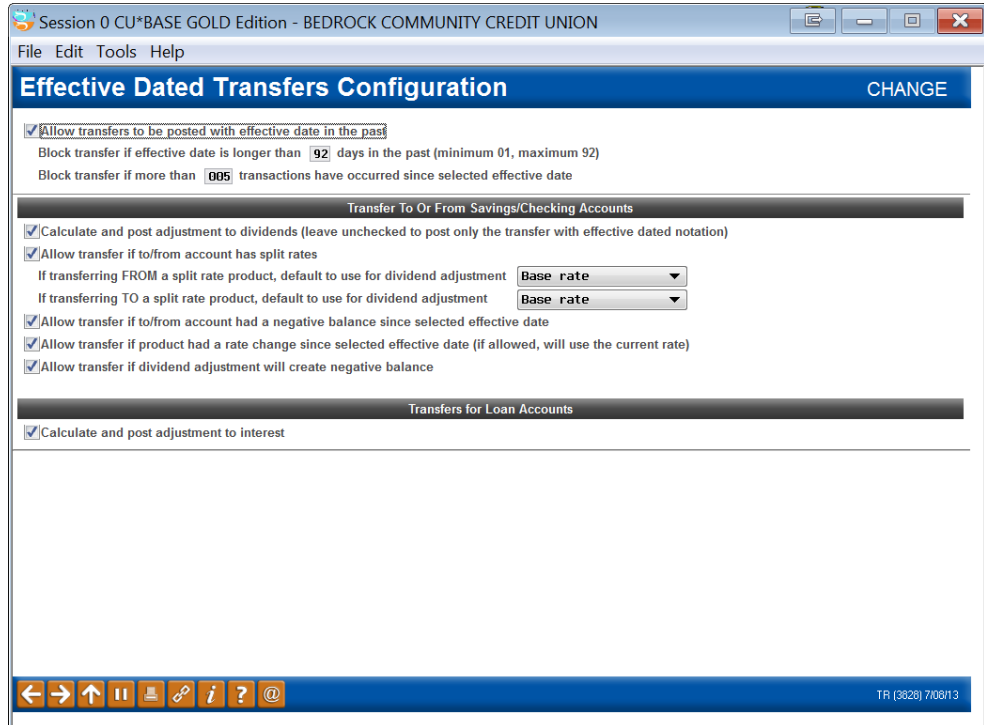
### Special Rules for Loans/LOCs

- Effective dated transfers and account adjustments can be done for loans with **interest calculation types 0** (365-day). Mortgages with the calc type 3 (360), business loans with calc type 4 (360/365), and online credit cards with calc type 5 (average daily balance) cannot be adjusted using either tool.

- The Effective-Dated Transfers feature will not allow you to do an effective-dated disbursement from a loan account. **To correct a payment that was made to the wrong closed-end loan** account, use the Effective-Dated Account Adjustment feature instead, posting two separate transactions, one for each account.
- If posting a loan **payment** with an effective date in the past, the system calculates the difference in the amount of interest due since the effective date and will recommend the amount of interest to be credited to the loan.
- If posting a **reversal of a loan payment** (such as if a check was returned NSF a few days after the payment was posted), the system will calculate the recommended amount to be added back to interest due.
- Adjustments on loan accounts will NOT calculate an interest adjustment if there are any transactions after the effective date specified. CU\*BASE does not store a resulting interest due amount every time something happens on a loan account. Therefore, in order to calculate a recommended interest adjustment, CU\*BASE must work backwards from the current date, subtracting from current interest due for each day to estimate what interest due *would* have been as of the effective date.
- The system will not bring **accrued interest** to a negative amount. If the calculation would result in a negative accrued interest amount, an amount of \$0.00 is used instead.
- No steps related to **Rule of 78** will be taken.
- If there is an **escrow** attached to a 365-day loan, the system will not allow the effective-dated transaction to continue.
- The interest adjustment calculation will always use the **current rate** from the loan account record.

# CONFIGURING YOUR CREDIT UNION'S RULES FOR TRANSFERS

## Configure Effective Dating Tools (Tool #248) > “Configure transfers”



This configuration is intended to let you decide how strict or flexible you want your effective-dated transfers system to be. If you are concerned about posting these types of transfers in any less-than-ideal conditions (like if the account has been negative since the effective date, or there’s been a lot of activity, or the account has a split rate structure, etc.), you can decide whether the system should say “go!” or “stop!” according to your comfort level.

Some CUs might want to allow only the simplest, cleanest types of transfers to go through, passing all others on to an expert on their accounting team who more thoroughly understands the nuances. Others will decide to allow any transfers the system *can* post to go ahead and proceed, on the assumption that the subtle differences for the occasional oddball situation won’t be significant enough to worry about.

Over time you will become more comfortable with your most common types of adjustments, so you may revisit this configuration down the road and tweak your settings until the tools are controlled exactly as you wish.

### Field Descriptions

(NOTE: Individual and Organizational accounts use the same configuration settings; in the future we may allow alternate settings based on Membership Designation.)

<i>Field</i>	<i>Description</i>
Allow transfers to be posted with effective date in the past	Controls whether or not staff can use F10-Unlock Date to enter an effective date on the regular transfers screen, available via Phone Op, Teller then <i>Transfer</i> (F13), and <b>Tool #516 Member Transfers</b> .



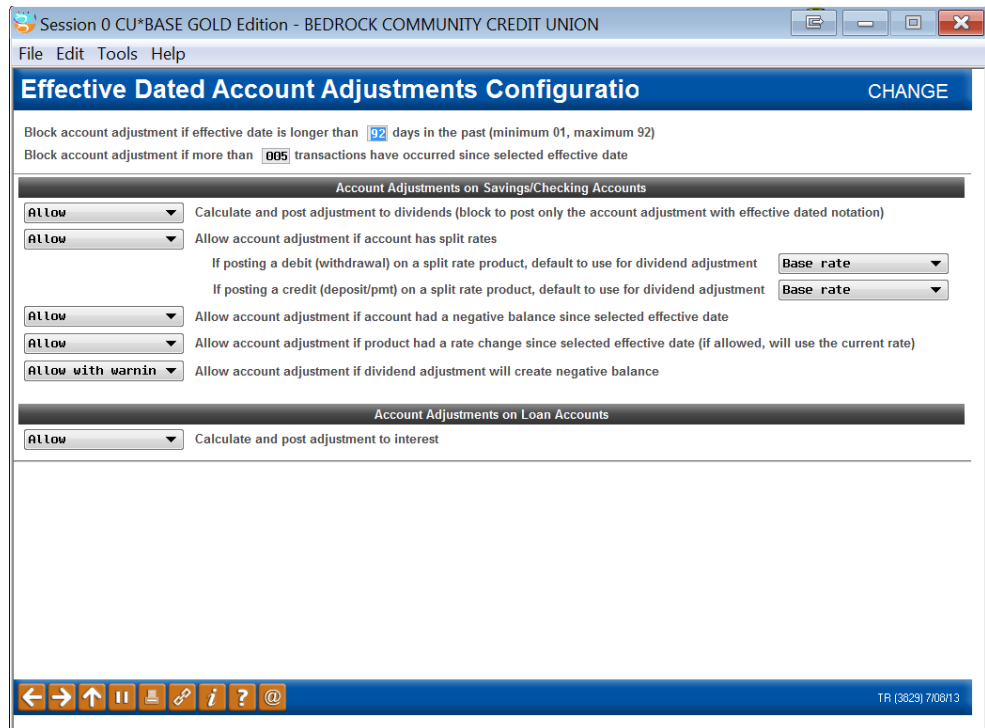
<i>Field</i>	<i>Description</i>
	<p>It does not affect the functionality of <b>Tool #354 Effective-Dated Transfers</b>, however, so if you wish to allow only certain employees the ability to do these transfers, leave this flag unchecked and grant them access to Tool #354.</p>
Block transfer if effective date is longer than xx days in the past (minimum 01, maximum 92)	This controls how far back an effective date can be specified. The maximum of 92 days is based on the amount of trans history that is typically available to use for the calculation, but you may set it to a shorter timeframe if you wish.
Block transfer if more than xxx transactions have occurred since selected effective date	<p>This controls whether or not the transfer can continue if we find a certain number of transactions between the chosen effective date and today. (Enter 999 if you do not care how many transactions have occurred.)</p> <p>For example, you could say that as long as there have been no more than 3 transactions, proceed, but any more than that and you want the opportunity to study the account first and determine the proper course of action. This feature is intended to raise a red flag that you might not even be adjusting the right account, or that you chose an effective date too far back, or that the results might not be what you expect since so much has happened to the account in the meantime.</p>
<p><b>Transfers To or From Savings/Checking Accounts</b></p> <p>These settings apply when either the “from” or the “to” account in a transfer is a savings, IRA savings, or checking dividend application.</p>	
Calculate and post adjustment to dividends	<p>Check this box to calculate and post an adjustment to dividends, when either the “from” or the “to” account is a savings or checking account.</p> <p>Leave it unchecked and the system will allow the effective dated transfer to occur (still subject to the additional settings below) but will NOT post an adjustment to dividends. Basically it will do the transfers with the secondary transaction description that indicates the effective date, and that’s all.</p>
Allow transfer if to/from account has split rates	Check this box if you wish to allow an effective-dated transfer even if the product for either the “to” or the “from” account is configured with split rates (plateau or non-plateau).

<i>Field</i>	<i>Description</i>
	<p>The system will still use a <b>single rate</b> (as defined by the additional settings below) for the adjustment calculation, no matter how the product is configured. This flag just defines whether to “stop” or “go” if the product happens to have a split rate.</p> <p>Leave this box unchecked if you wish to stop transfers from occurring in these situations, so that you can manually determine the rate at which the dividend adjustment should be calculated and post it via an account adjustment instead.</p>
<p>If transferring FROM a split rate product, default to use for dividend adjustment</p>	<p>If the product has a split rate structure, from which split level should the rate be pulled for the calculation? Use this to define which rate to use for the “FROM” savings/checking account.</p> <p>This control allows you to specify something other than the base rate, especially if the base rate on the product is 0.00% as is sometimes the case. Generally if you do not want to use the base rate, choose level 1 (bottom) or Level 6 (top). (If you choose level 6 and the product only has 3 levels, the system will use the “top” level 3.)</p> <p>TIP: Unless all of your savings products are configured with the same number of split levels, this can end up being a best-guess sort of thing. For example, if you typically have many levels on your split rate products, you could choose to just “split the difference” and give everybody the benefit of the doubt by using level 3 (“the middle level”) for all effective-dated adjustments.</p>
<p>If transferring TO a split rate product, default to use for dividend adjustment</p>	<p>As described above, use this to define which rate to use for the “TO” savings/checking account, if it has split rates.</p>
<p>Allow transfer if to/from account had a negative balance since selected effective date</p>	<p>This controls whether or not the transfer should be allowed to proceed if at any time between the effective date and the current date the account balance was negative.</p> <p>Leave it unchecked if you want to use an account adjustment instead in these situations.</p>
<p>Allow transfer if product had a rate change since selected effective date</p>	<p>If the rate change history on this particular product shows that a rate change has occurred between the selected effective date and today, this determines whether or not the system should proceed with the transfer or not. Check the flag and the system will use the <i>current</i> rate when calculating the adjustment.</p>

<i>Field</i>	<i>Description</i>
	Leave it unchecked if you want to use an account adjustment instead in these situations.
Allow transfer if dividend adjustment will create negative balance	This determines whether or not the program should proceed with the transfer if the dividend adjustment itself would result in a negative balance on the account.  Leave it unchecked if you want to use an account adjustment instead in these situations.
<b>Transfers To or From Loan Accounts</b> These settings apply when the "TO" account in a transfer is a loan with a supported interest calculation type (cannot transfer from a loan).	
Calculate and post adjustment to interest	Check this box if you wish to calculate and post an adjustment to interest when transferring to a loan.  Leave it unchecked and the system will allow the effective dated transfer to occur but will NOT post an adjustment to interest. Basically it will do the transfer with the secondary transaction description that indicates the effective date, and that's all.

# CONFIGURING YOUR CREDIT UNION'S RULES FOR ACCOUNT ADJUSTMENTS

## Configure Effective Dating Tools (Tool #248) > “Configure adjustments”



Just like the transfers configuration described on the previous pages, you can use this configuration to specify how strict or flexible you want your effective-dated account adjustments system to be. Use these settings to determine whether the system should say “go!” or “stop!” according to your comfort level.

*Remember that if you block certain types of transactions in your Transfers configuration, and you still want the system to help you calculate the dividend/interest adjustment and post the effective-dated secondary transaction description for those types of transactions, you will need to allow those features here. Otherwise you will need to calculate the needed adjustments manually and use the regular Member Account Adjustments feature to post everything separately (including manual updates to the transaction descriptions!).*

### Field Descriptions

(NOTE: Individual and Organizational accounts use the same configuration settings; in the future we may allow alternate settings based on Membership Designation.)

Field	Description
Block account adjustment if effective date is longer than xx days in the past (minimum 01, maximum 92)	This controls how far back an effective date can be specified. The maximum of 92 days is based on the amount of trans history that is typically available to use for the calculation, but you may set it to a shorter timeframe if you wish.

<i>Field</i>	<i>Description</i>
Block account adjustment if more than xxx transactions have occurred since selected effective date	<p>This controls whether or not the adjustment can continue if we find a certain number of transactions between the chosen effective date and today. (Enter 999 if you do not care how many transactions have occurred.)</p> <p>For example, you could say that as long as there have been more than 3 transactions, proceed, but any more than that and you want the opportunity to study the account first and determine the proper course of action. This feature is intended to raise a red flag that you might not even be adjusting the right account, or that you chose an effective date too far back, or that the results might not be what you expect since so much has happened to the account in the meantime.</p>
<p><b>Account Adjustments On Savings/Checking Accounts</b></p> <p>These settings apply when posting either debits or credits to a savings, IRA savings, or checking dividend application.</p>	
Calculate and post adjustment to dividends	<p>Choose “Allow” to calculate and post an adjustment to dividends, when either the “from” or the “to” account is a savings or checking account.</p> <p>Choose “Block” and the system will allow the effective dated adjustment to occur (still subject to the additional settings below) but will NOT post an adjustment to dividends. Basically it will post the transactions with the secondary transaction description that indicates the effective date, and that’s all.</p> <p>Chose “Allow with warning” to warn the end-user first that a dividend adjustment will be calculated and posted automatically.</p>
Allow account adjustment if account has split rates	<p>Check this flag if you wish to allow an effective-dated adjustment even if the product for either the “to” or the “from” account is configured with split rates (plateau or non-plateau).</p> <p>IMPORTANT: The system will still use a <b>single rate</b> (as defined by the additional settings below) for the adjustment calculation, no matter how the product is configured. This flag just defines whether to “stop” or “go” if the product happens to have a split rate.</p> <p>Choose “Allow with warning” if you wish to warn the end-user first that there might be some additional review required on the account.</p> <p>Choose “Block” if you wish to stop adjustments from occurring in these situations. You would then need to manually</p>

<i>Field</i>	<i>Description</i>
	calculate the adjustment using the desired rate, then post it using a regular account adjustment (don't forget to update the transaction descriptions manually as well).
If posting a debit (withdrawal) on a split rate product, default to use for dividend adjustment	<p>If the product has a split rate structure, from which split level should the rate be pulled for the calculation? Use this to define which rate to use when posting a debit to a savings/checking account.</p> <p>This control allows you to specify something other than the base rate, especially if the base rate on the product is 0.00% as is sometimes the case. Generally if you do not want to use the base rate, choose level 1 (bottom) or Level 6 (top). (If you choose level 6 and the product only has 3 levels, the system will use the "top" level 3.)</p> <p><b>TIP:</b> Unless all of your savings products are configured with the same number of split levels, this can end up being a best-guess sort of thing. For example, if you typically have many levels on your split rate products, you could choose to just "split the difference" and give everybody the benefit of the doubt by using level 3 ("the middle level") for all effective-dated adjustments.</p>
If posting a credit (deposit/pmt) on a split rate product, default to use for dividend adjustment	As described above, use this to define which rate to use when posting a credit to a split-rate savings/checking account.
Allow account adjustment if account had a negative balance since selected effective date	<p>This controls whether or not the adjustment should be allowed to proceed if at any time between the effective date and the current date the account balance was negative.</p> <p>Choose "Allow with warning" if you wish to warn the end-user first that there might be some additional review required on the account because of the negative balance situation.</p>
Allow account adjustment if product had a rate change since selected effective date	<p>If the rate change history on this particular product shows that a rate change has occurred between the selected effective date and today, this determines whether or not the system should proceed with the account adjustment or not. Choose "Allow" and the system will use the <i>current</i> rate when calculating the adjustment.</p> <p>Choose <i>Block</i> if you want to manually calculate the exact dividend calculation for both the old and new rates, using the appropriate number of days for each (the system cannot do this in an automated fashion in this tool, so you'll need to calculate and post the adjustments yourself).</p> <p>Choose <i>Allow with warning</i> if you wish to warn the end-user first that there might be</p>

<i>Field</i>	<i>Description</i>
	some additional review required on the account because of the rate change.
Allow account adjustment if dividend adjustment will create negative balance	This determines whether or not the program should proceed with the transfer if the dividend adjustment would result in a negative balance on the account. Choose <i>Allow with warning</i> if you wish to warn the end-user first that there might be some additional review required on the account because of the resulting negative balance.
<b>Account Adjustments On Loan Accounts</b>	
These settings apply when posting either a debit or a credit to a loan with a supported interest calculation type.	
Calculate and post adjustment to interest	Choose <i>Allow</i> here to calculate and post an adjustment to interest on the loan. Choose <i>Block</i> and the system will allow the effective dated transfer to occur but will NOT post an adjustment to interest. Basically it will do the adjustment with the secondary transaction description that indicates the effective date, and that's all.

## SAMPLE WARNING MESSAGES USED BY TRANSFERS AND ADJUSTMENTS

The following table shows the standard warning and error messages the system uses to guide the end-user, according to your configuration settings. Some of these will stop the user from proceeding; others are simply a warning to alert the user of a special situation.

<b>Warning Messages (can still proceed)</b>
0918-Effective dating dividend adjustment will not be calculated
0912-Account has split rate – warning
0913-Account has/had negative balance - warning
0914-Account had rate change – warning
0919-Warning! Effective dating dividend adjustment creates negative balance
<b>Error Messages (will stop the user from proceeding)</b>
0910-Effective date exceeds maximum days allowed
0911-Effective date exceeds maximum transactions allowed
0912-Account has split rate - transfer not allowed
0913-Account has/had negative balance - transfer not allowed
0914-Account had rate change - transfer not allowed
0915-Dividend adjustment creates negative balance - transfer not allowed
0916-Effective dating transfer not allowed
0920-Cannot Effective date from Loans or CD's
0921-Cannot make Effective Dated payments to Non-365 Loans
0922-Cannot Effective date for reasons shown on last screen or you pressed Backup
0923-Effective dated transfer amount will take accrued balance negative for the current dividend period
0924-Effective dated Loan Payments cannot have transactions
0925-Interest adjustment for loan exceeds interest due
0926-Effective Dating not allowed with compound dividend calculations
0927-Cannot Effective Date loans with attached escrow
0929-Cannot make effective dated deposits to CD's



# POSTING EFFECTIVE DATED TRANSFERS

This tool lets you transfer funds from one account to another and choose an effective date. The system will calculate and post an adjustment to dividends or interest to both accounts as needed.

## Accessing Effective-Dated Transfers

This feature is currently available via several access points:

- **Tool #354 Effective-Dated Transfers**
- Phone Operator Transfers
- **Tool #516 Member Transfers**
- *Transfer (F13)* in Teller Processing

In all cases, you are simply accessing the regular transfers feature; it is “unlocking the date” and entering an effective date in the past that causes the program to go into effective-dating mode.

## Step 1: Specify Effective Date

Session 1 CU\*BASE GOLD Edition - TEST CREDIT UNION

File Edit Tools Help

### Member Account Transfer

Transfer date Jul. 05, 2013 ← Transfer amount 0.00

From account 000 IRA/HSA code My Other Accounts

To account 000 IRA/HSA code

Description MEMBER TRANSFER

Print receipt

Session 1 CU\*BASE GOLD Edition - TEST CREDIT UNION

File Edit Tools Help

### Member Account Transfer

Transfer date Jun 15, 2013 MMDDYYYY Transfer amount 1,500.00

From account 4355 000 IRA/HSA code My Other Accounts

To account 4355 010 IRA/HSA code

Description CORRECTED CHK DEP

Print receipt

Refresh/Calc

← → ↑ ↓

Refresh/Calc Post Skip Unlock Date

← → ↑ ↓ @

WU (3442) 70513

**CU\*TIP:** Using **Unlock Date** moves you into the effective-dated programs, so you must enter a date *in the past*. If you want to return to posting a regular transfer as of today's date, you will need to back up and start over, without using the Unlock Date feature.

First, click the **Unlock date** button to allow an effective date to be entered.

After you've chosen an effective date, complete the remaining transfer fields as usual.

## Step 2: Review Activity Since the Effective Date

Session 0 CU\*BASE GOLD Edition - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

### Transaction History

**Name** SUSIE Q MEMBER

Account 6015-001 SPECIAL SHARE      Current balance 21,313.88      Available balance 21,313.88

Transactions 1      Rate 2.25%      Calc type Simple Daily

Effective date Jun 15, 2013      Adjustment days 21      Last date dividends were accrued Jul 06, 2013

Date	Amount	(n/a)	Balance	Description	Transfer Acct	Teller ID
Jun 30, 2013	118.84		21,313.88	SHARE DIVIDEND		90

↑ ↓

**Name** SUSIE Q MEMBER

Account 6015-004 TRADITIONAL I      Current balance 5,533.05      Available balance 5,533.05

Transactions 1      Adjustment days 21      Rate 3.50%      Calc type Simple Daily

Date	Amount	(n/a)	Balance	Description	Transfer Acct	Teller ID
Jun 30, 2013	15.87	U	5,533.05	SHARE DIVIDEND		90

↑ ↓

*i* \* Denotes a split rate. For Average Daily Balance calc types, remember a dividend adjustment will be posted only for the days that fall in a prior dividend period. For the current period, the system simply adjusts the accumulated balance so it is correct for the next time dividends are paid.

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TR (3811) 708013

### Special Note for Simple Daily Products

Dividend accruals are done during EOD processing. This means the member will already get credit in tonight's dividend accrual calculation based on their new adjusted balance.

So to avoid giving double credit for dividends today, the system always subtracts 1 from the number of days between the effective date and the current date, for today's accruals. In cases where accruals need to be caught up after non-processing dates (on Monday when we last accrued on Friday, for example), then the system will check the "calc date" on the Dividend Application and subtract additional days here as needed. Accruals for this account will be caught up along with all other accounts during EOD.

This screen is just an informational display of both accounts, showing transactions that have occurred since the effective date you entered on the previous screen.

*Remember that if you are transferring to a **loan account**, if there have been any transactions since the effective date you will not be allowed to proceed with the effective-dated transfer.*

*Also, it is not possible to do an effective-dated disbursement from a loan account. If you need to correct a payment that was made in error to the wrong loan account, use the **Effective-Dated Account Adjustment** feature instead to post separate adjustments to each account.*

The top of each section contains details about the rates and other details used to calculate the dividend or interest adjustment that the system will be making in the next step.

*For **Average Daily Balance** calc types, remember a dividend adjustment will be posted only for the days that fall in a prior dividend period. For the current period, the system simply adjusts the accumulated balance so it is correct for the next time that dividends are paid.*

After reviewing this information, press Enter to proceed to screen 3.

### Step 3: Complete the Transfer

Session 0 CU\*BASE GOLD Edition - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

## Member Account Transfer

Transfer date: Jun 15, 2013 [MMDDYYYY] Transfer amount: 1,500.00

From account: 6015 001 IRA/HSA code: My Other Actio  
 To account: 6015 004 IRA/HSA code: C

Description: CORRECTED CHK DEP  
 Print receipt

Optional secondary transaction description:  
 6/15/2013 TRANSFER PERFORMED ON 7/08/2013

From Account		To Account	
Name	SUSIE Q MEMBER	Name	SUSIE Q MEMBER
Mbrshp designation	Individual	Mbrshp designation	Individual
Beginning available balance	21,313.88	Beginning balance	5,533.05
Transfer amount	1,500.00-	Transfer amount	1,500.00
Transfer adjustment	1.93-	Transfer adjustment	3.02
Ending available balance	19,811.95	Ending balance	7,036.07

Refresh/Calc Verify Member Post Skip Unlock Date

TR (3442) 7/08/13

The secondary trans description includes a notation about the effective date (you can add additional text if you wish). The dividend adjustment will be posted via a separate transaction.

This final screen lets you verify the transfer details. Notice the adjustment that will be posted automatically to dividends or interest.

The adjustment is calculated on both sides of the transfer (remember that if transferring between accounts of the same type/rate, the adjustment amount will be the same).

You can change any of the transfer settings, such as the amount or even the account numbers, and press Enter to refresh. If necessary, the system may display Screen 2 again showing the transaction history (such as if you change the effective date or enter a different account number).

When ready, use F5-Post to complete the transfer and exit.

### SPECIAL NOTE: EFFECTIVE-DATE TRANSFERS AND DELINQUENCY FINES

On occasion, you will need to post an effective-dated transfer in order to take care of a loan payment that should have been made on an earlier date (misplaced mail, payment made to the wrong loan, etc.). In some cases the account might actually have incurred a delinquency fine because the payment wasn't posted as expected, in which case you will want to waive that fine. In other cases, the member might have actually been delinquent anyway and legitimately owes fines, for this payment and/or for prior past-due payments.

Because of the way the system handles the collection of delinquency fines, to allow an effective-dated transfer to proceed you will have two choices:

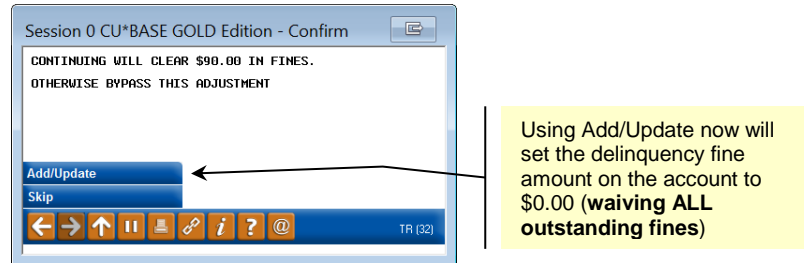
1. **Waive ALL outstanding fines** (will set the Delinquent Fine Amount field on the MEMBER5 record to \$0.00), then proceed with the transfer and adjustment.

-OR-

2. **Cancel the transfer** and use an Effective Dated Account Adjustment instead. The Account Adjustment will let you make the payment and adjust interest, PLUS you can post a separate transaction to collect the appropriate amount of the delinquency fine.

### Waiving the Fine

By default, any time an effective-dated transfer is being made on a loan that has any outstanding fines, the following window will appear:



If you want to waive ALL outstanding delinquency fines for this member, use F5 to proceed with the remaining steps in the transfer.

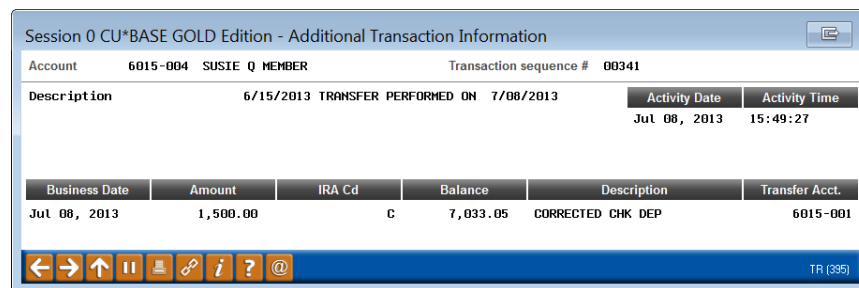
If you do not want to waive all fines, use *Skip* (F8) to exit. Then use the Effective-Dated Account Adjustment feature to post the payment to the loan account, *and* an additional transaction to collect the appropriate fine amount.

## HOW TRANSACTIONS WILL APPEAR TO MEMBERS

If viewing an effective-dated transaction in Phone Operator History, or when the transaction appears on the member statement and in online banking, it will show as follows:

Business Date	Activity Date	Activity Time	Amount	IRA Cd	Balance	Description	Transfer Acct	ID	Sup	Print Receipt
7/08/13	7/08	15:49	1,500.00	C	7,033.05	CORRECTED CHK DEP	6015-001	;D	N	
7/08/13	7/08	15:49	3.02	U	7,036.07	DIVIDEND ADJUSTMENT		;D	N	

The full description looks like this:



*Transactions will be posted using **Origin Code 07** (for the actual transfer deposit/withdrawal) and **Origin Code 08** for the dividend/interest adjustment).*

---

# POSTING EFFECTIVE-DATED ACCOUNT ADJUSTMENTS

As stated before, this system provides a flexible, powerful way to post different types of effective-dated transactions, and is helpful in cases where only one account needs to be affected, or when you have additional actions you want to take (such as collecting a delinquency fine or changing the system-calculated adjustment amount).

With this tool, you can post a transaction to a member's account and have the system automatically calculate the adjustment to savings dividends or loan interest according to the effective date of the adjustment, and add a notation to the member in the transaction description.

## Accessing Effective-Dated Transfers

This feature is currently available via:

- **Tool #353 *Effective-Dated Account Adjustment***

Although this feature is completely separate from regular account adjustments and the workflow significantly different, it does include all of the functionality (transaction types you can post, etc.) that you normally use, in addition to the effective-dating features.

## Before You Begin

As you will see, the steps below will assume you know certain things about the account being adjusted. In particular, if you are reversing a loan payment, you will need to be able to enter both the payment amount *and* the interest amount for that payment. So be sure to review the account history and status thoroughly before you begin.

## Step 1: Specify Effective Date

Session 0 CU\*BASE GOLD - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

### Member Account Adjustment

Effective date of adjustment Jun 15, 2013 [MMDDYY]

Account 6015 003

View inquiry after post

Don't forget to enter an effective date (in the past) here – otherwise the system will think you want to do a regular account adjustment!

Start by entering the effective date for this transaction (must be a date in the past, within the time period defined in your configuration).

Then enter the member account base and suffix on which the adjustment should be made, and select whether or not you wish to view Member Account Inquiry for this account after the adjustment has been posted (recommended, especially for loans, so you can verify due dates and other parameters after the adjustment).

Notice that the current date is entered automatically as the effective date. If you do not change this date, the system will perform a normal account adjustment without calculating a recommended adjustment to dividends/interest.

Use Enter to proceed.

**CU\*TIP:** If a member's account has been frozen for any reason, an error message will appear when attempting to perform an adjustment. Use **Trans Override** (F2) on this screen to override the freeze for one transaction and allow the adjustment to be posted.

## Step 2: Specifying Transaction Type

### Sample A: Adjustment Types for a Savings/Checking/IRA Account

The screenshot shows a window titled "Session 0 CU\*BASE GOLD - BEDROCK COMMUNITY CREDIT UNION". The menu bar includes "File", "Edit", "Tools", and "Help". The main title is "Member Account Adjustment". Below the title, the "Effective date of adjustment" is set to "Jun 15, 2013". The "Account" field displays "6015 003". There is a checkbox labeled "View inquiry after post" which is currently unchecked. The "Type of adjustment" field is set to "02". Below this field, two options are listed: "02 = Post a deposit and calculate dividend adjustment" and "92 = Post a withdrawal and calculate dividend adjustment".

### Sample B: Adjustment Types for a Loan Account

The screenshot shows a window titled "Session 0 CU\*BASE GOLD - BEDROCK COMMUNITY CREDIT UNION". The menu bar includes "File", "Edit", "Tools", and "Help". The main title is "Member Account Adjustment". Below the title, the "Effective date of adjustment" is set to "Jun 15, 2013". The "Account" field displays "6015 700". There is a checkbox labeled "View inquiry after post" which is currently unchecked. The "Type of adjustment" field is set to "02". Below this field, four options are listed: "02 = Post credit adjustment (reduce balance and/or int. due) and calculate int. adjustment", "05 = Post a loan payment and calculate interest adjustment", "92 = Post debit adjustment (raise balance and/or int. due) and calculate int. adjustment", and "95 = Reverse a loan payment and calculate interest adjustment".

The next step is to specify a transaction type to be posted. This prepares the system for subsequent steps, so that the proper dividend or interest adjustment can be calculated, and so that error and warning messages can be presented in the right order.

Specify the code for the main transaction for which you want the system to calculate a dividend/interest adjustment. (Not all transaction codes that might potentially be used in a regular account adjustment will be shown here, because not all codes are relevant for an effective-dated transaction where you want the system to calculate an adjustment to dividends or interest.)

If necessary, you will have a chance to enter additional transaction codes on the final posting screen (see Page 25).

### Step 3: Specify Adjustment Details

#### Sample A: Savings Account

Session 0 CU\*BASE GOLD - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

### Member Account Adjustment

Effective date of adjustment Jun 15, 2013

---

Account 6015 003

View inquiry after post

Type of adjustment 82

- 82 = Post a deposit and calculate dividend adjustment
- 92 = Post a withdrawal and calculate dividend adjustment

Adjustment amount 5,400.00

Transaction description MISSED DEPOSIT

Offset G/L 73900

Branch/location 01 (blank for member branch)

#### Sample B: Loan Account

Session 0 CU\*BASE GOLD - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

### Member Account Adjustment

Effective date of adjustment Jun 15, 2013

---

Account 6015 700

View inquiry after post

Type of adjustment 95

- 82 = Post credit adjustment (reduce balance and/or int. due) and calculate int. adjustment
- 85 = Post a loan payment and calculate interest adjustment
- 92 = Post debit adjustment (raise balance and/or int. due) and calculate int. adjustment
- 95 = Reverse a loan payment and calculate interest adjustment

Payment amount 425.14 Interest amount 138.92

Transaction description FIX WRONG PAYMENT

Offset G/L 73900

Branch/location 01 (blank for member branch)

The *Interest amount* field will not appear for transaction type 85 (posting a regular payment) but you will need to enter it if reversing or adjusting a payment already made.

On this screen you will enter the details for the transaction, including the amount, description, and offset account and branch for the G/L. Remember that you will still have a chance on the final screen to tack on any additional transactions you need; this is the transaction on which the interest/dividend adjustment will be calculated.

Complete all fields and use Enter to proceed to the next step.

## Step 4: Transactions Since Effective Date

Session 0 CU\*BASE GOLD Edition - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

### Account Review for Effective Dating

Name	SUSIE Q MEMBER		
Account	6015-003	Current balance	9,459.93
Effective date	Jun 15, 2013	Adjustment days	21
Calc type	Simple Daily	Rate	1.75%
		Transactions	1
		Available balance	9,459.93
		Last date dividends were accrued	Jul 06, 2013

Transactions Since Effective Date						
Date	Sequence #	Amount	Current Balance	Transaction Description	Transfer Account	Teller ID
Jun 30, 2013	00330	13.59	9,459.93	SHARE DIVIDEND		90

Continue

← → ↑ || ⏏ ? @

TR (3825) 70813

This screen is just an informational display, showing details about the rates and other details used to calculate the dividend or interest adjustment that the system will be making in the next step.

*For **Average Daily Balance** calc types, remember a dividend adjustment will be posted only for the days that fall in a prior dividend period. For the current period, the system simply adjusts the accumulated balance so it is correct for the next time that dividends are paid.*

The screen also displays transactions that have occurred since the effective date you entered on the previous screen. **If you are transferring to a loan account**, if there have been any transactions since the effective date, the system will proceed to the final screen but no interest adjustment will be calculated. (Also see “Tips for Adjusting Loans” on Page 26.)

Remember to consider the effect of these other transactions on the member’s account. In some situations you may have to do some additional manual calculations and evaluation to determine the correct course of action to adjust the member’s account. For example, if a missed deposit caused a member’s account to go negative with associated NSF or non-return fees, you will need to perform separate adjustments to refund the fees and restore the account to the appropriate status.

*This is why we allow your credit union to control the number of transactions that will cause the system to stop the effective-dated transaction from proceeding (Page 12).*

Press Enter to proceed to the next screen.



## Step 5: Post Adjustments

### Sample A: Posting to a Savings Account

Session 0 CU\*BASE GOLD Edition - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

### Member Account Adjustment

EFFDATE

Account **6015 003** Name **SUSIE Q MEMBER**

Principal G/L **901.02** Accrued G/L **820.02**

Income/Expense G/L **380.02** Member branch **01**

Calc type **Simple Daily**  
Rate **1.75%**  
Adjustment days **21**

The accumulated daily interest for the current dividend period will be adjusted.  
ALL transactions will have an effective date of 6/15/13

Status Before Correction		Status After Correction	
Account balance	9,459.93	Account balance	14,865.37
YTD dividends	81.69	YTD dividends	87.13
Accrued dividends	2.72	Accrued dividends	2.72

Type	Amount	Description	N/A	Offset G/L #	Offset Branch
02	5,400.00	MISSED DEPOSIT		739.00	1
03	5.44	ADJUST DIVIDENDS		380.02	1
	0.00				
	0.00				

Div/Int Calculator  
Review  
Post  
New Account  
Inquiry

TR (3019) 70813

**CU\*TIP:** This area shows special notes and tips about how this transaction will be handled. (If you don't see the notation about the effective date, like in this sample, it's because you forgot to change the date on the first screen!)

Notice that the system automatically calculates the adjustment to dividends (if any – remember that average daily balance products will only have a posted dividend adjustment for days that fall in the *prior* dividend period, and of course any products that aren't paid dividends would also have no adjustment).

(Refer to the Note on Page 18 for an explanation of how the number of adjustment days is calculated, due to the fact that dividend accruals occur during end-of-day processing.)

### Sample B: Posting to a Loan Account

Session 0 CU\*BASE GOLD Edition - BEDROCK COMMUNITY CREDIT UNION

File Edit Tools Help

### Member Account Adjustment

EFFDATE

Account **4996 702** Name **FRED A MEMBER**

Principal G/L **701.00** Accrued G/L **781.00**

Income/Expense G/L **781.00** Member branch **01**

Calc type **365**  
Rate **6.00%**  
Adjustment days **23**

ALL transactions will have an effective date of 6/15/13

Status Before Correction		Status After Correction	
Account balance	25,500.00	Account balance	25,786.22
Interest due	4,788.14	Interest due	4,928.21
YTD interest paid	439.86	YTD interest paid	300.94

Type	Amount	Description	Interest	N/A	Principal	Offset G/L #	Offset Branch
95	425.14	FIX WRONG PAYMENT	138.92		286.22	739.00	1
92	1.15	ADJUST INTEREST DUE	1.15		0.00	781.00	1
	0.00		0.00		0.00		
	0.00		0.00		0.00		

Delinquent fine YTD amount **20.00** Delinquent fine amount **80.00**

Last payment amount **459.86** Last payment date **Mar 08, 2013** [MMDDYY]

Div/Int Calculator  
Review  
Post  
New Account  
Inquiry

**CU\*TIP:** If you use the Dividend/Interest Calculator, the dates and other details will carry forward automatically to that window and the calculation will be the same as what you see here.

The interest adjustment is calculated on the **principal** amount of the transaction, not the full amount (in this sample, the adjustment of \$1.15 was calculated using the \$286.22 principal amount, not \$425.14, the amount of the full payment).

This final screen is used to make effective-dated adjustments to a member's account and an offsetting G/L account. There are two formats to this screen: one for loans and the other for savings, IRA and checking accounts (certificates cannot be adjusted using this feature).

When the screen first appears, the system will have already calculated any adjustment to dividends (or interest) and entered that as a separate transaction. At this point the automated calculations are complete, and you can change any of the data on this screen as you wish. *(For example, if adjusting a split rate product, you could manually calculate the dividend adjustment using a different rate than what was chosen by the system.)*

**If you change the amount of the original transaction, the system will NOT recalculate this adjustment amount.** *If you want the system to recalculate this adjustment, use F3-Review and then F3-Backup and start over with the correct amount.*

You may enter additional transactions to be posted to this account at the same time, using the three remaining blank transaction lines. When ready, use **Post** (F5) to post the transaction(s). All transactions will include the effective date notation in the secondary transaction description.

If *View inquiry after post* was checked on the first screen, the account inquiry screen will appear next so you can review the new status of the account. Here is a summary of what will happen upon posting:

- All transactions will be posted as debits or credits to the member's account, according to the transaction type codes specified. Other actions usually taken by that tran type (for example, updating the next payment date and other status items if using code 85 to make a normal loan payment) will also be done as usual.
- For a share account, the average daily balance for the *current* period is adjusted (the *Accumulated balance* field on the Account Info Update screen). *For example, if you missed a \$1,000 deposit that should have been made a week ago, the system must add \$1,000 to the accumulated balance field for each day that has passed since the effective date (1000 x 7).* For products with the Average Daily Balance calculation type, this ensures that dividends will be calculated and paid correctly when you reach the end of this dividend period. For Simple Daily types, this is still done but is informational only.

## TIPS FOR ADJUSTING LOANS

### Posting a Payment (Trans Type 85)

If posting a regular loan payment, enter the full payment amount in Step 3, and the system will calculate and display the amount of interest and principal to collect for Step 5.

To do this, the system takes the daily accrual amount and multiplies it by the number of days between today and the effective date. (For example, if you entered an effective date three days ago, it will calculate the daily accrual for 3 days). It then subtracts that amount from current interest due to estimate what interest due *would* have been on the effective date. *(This is*

why the system is unable to do the adjustment calculation if there have been any transactions since the effective date.)

This calculated interest amount will then be filled into the *Interest* field and the difference between that and the transaction amount you entered will be filled in as *Principal* for that transaction. The system will also calculate the recommended adjustment to interest due, based on the *principal* amount from the first transaction. (In the sample below, the adjustment was calculated based on the principal amount of \$386.79.)

Type	Amount	Description	Interest	N/A	Principal	Offset G/L #	Offset Branch
85	425.14	MISSED PAYMENT	318.38		106.76	739.00	1
82	0.12	ADJUST INTEREST DUE	0.12		0.00	111.02	1

### Posting a Reversal (Trans Type 95)

When reversing a payment, you will need to enter the amount of interest from the original payment transaction in Step 3. That's why it's important that you review the account transaction history before beginning. This provides the system enough information to calculate the necessary adjustment to interest due.

Type	Amount	Description	Interest	N/A	Principal	Offset G/L #	Offset Branch
95	425.14	FIX WRONG PAYMENT	138.92		286.22	739.00	1
92	1.15	ADJUST INTEREST DUE	1.15		0.00	781.00	1

### Collecting a Delinquency Fine

If you wish to also collect a delinquency fine while taking care of an effective-dated loan adjustment, you will need to enter an additional transaction specifically for the fine amount, and also manually adjust the *Delinquent fine YTD amount* and *Delinquent fine amount* fields as appropriate.

Type	Amount	Description	Interest	N/A	Principal	Offset G/L #	Offset Branch
85	790.29	POST JULY PAYMENT	318.38		471.91	739.00	1
82	0.60	ADJUST INTEREST DUE	0.60		0.00	111.02	1
92	30.00	DELQ FINE FROM MAY	30.00		0.00	131.02	1
	0.00		0.00		0.00		
	0.00		0.00		0.00		

Delinquent fine YTD amount	180.00	Delinquent fine amount	0.00
Last payment amount	790.29	Last payment date	Jun 26, 2013 [MMDDYY]

## HOW TRANSACTIONS WILL APPEAR TO MEMBERS

The transaction description entered on the adjustment screen will be used as the primary description, and the system will automatically record the effective date as the secondary transaction description. *Sample trans history:*

Business Date	Activity Date	Activity Time	Amount	(n/a)	Current Balance	Transaction Description	Transfer Account	ID	Print Rcpt
7/08/13	7/08	14:49	5,400.00		14,859.93	MISSED DEPOSIT			;D
7/08/13	7/08	14:49	5.44		14,865.37	ADJUST DIVIDENDS			;D

After using *Toggle Description:*

Business Date	Activity Date	Activity Time	Amount	(n/a)	Current Balance	Transaction Description	Transfer Account	ID	Print Rcpt
7/08/13	7/08	14:49	5,400.00		14,859.93	EFFECTIVE 06/15/13			;D
7/08/13	7/08	14:49	5.44		14,865.37	EFFECTIVE 06/15/13			;D

All transactions will be posted using **Origin Code 08** (account adjustment).