



Month-End Processing Verifications

Due Diligence Verifications to Run Every EOM

Prepared for:

Online & Self-Processing Credit Unions

Table of Contents

INTRODUCTION.....	2
Using This Guide.....	2
SHARE/DRAFT ACCOUNTS	3
<input type="checkbox"/> Verify Rate Changes.....	3
<input type="checkbox"/> Run Dividend Regeneration.....	3
<input type="checkbox"/> Verify Dividend Accruals.....	3
<input type="checkbox"/> Verify Dividend Posting Totals	4
<input type="checkbox"/> Verify Share Marketing Club Benefit Dividend Accruals.....	4
<input type="checkbox"/> Verify Custom Bonus Dividends	5
CERTIFICATE ACCOUNTS	6
<input type="checkbox"/> Verify Current CD Rates.....	6
<input type="checkbox"/> Verify Variable CD Rate Changes	6
<input type="checkbox"/> Verify Accrued Dividends.....	6
<input type="checkbox"/> Verify Daily CD Dividend Posting and Exception Reports.....	6
<input type="checkbox"/> Verify Marketing Club Benefit Dividend Accruals	6
LOAN ACCOUNTS.....	8
<input type="checkbox"/> Verify Variable Rate Changes.....	8
<input type="checkbox"/> Verify Variable Rate Codes on Loan Accounts.....	8
<input type="checkbox"/> Verify Variable Rate Change Reports	8
<input type="checkbox"/> Verify the Payment Change Report.....	8
<input type="checkbox"/> Verify Accrued Interest.....	8
<input type="checkbox"/> Verify Club Benefit Interest Refunds	9
<input type="checkbox"/> Verify Custom Bonus Interest Refunds	9
FEES AND SERVICE CHARGES	10
<input type="checkbox"/> Verify Monthly Service Charges	10
<input type="checkbox"/> Verify Annual Service Charges.....	10
<input type="checkbox"/> Verify Dormancy Fees	10
<input type="checkbox"/> Verify Deposit Item Fees	11
<input type="checkbox"/> Verify Marketing Club Membership Dues.....	11
<input type="checkbox"/> Verify Bill Payment Fees	11
<input type="checkbox"/> Verify Self-Service Fees (Audio / Online Banking).....	11
<input type="checkbox"/> Verify e-Statement Fees.....	11
<input type="checkbox"/> Verify Paper Statement Fees.....	12
<input type="checkbox"/> Verify ATM Surcharge Rebates.....	12
<input type="checkbox"/> Verify Safe Deposit Box Rental Fees (<i>Posted On Demand</i>)	12
OTHER MISCELLANEOUS MONTHLY TASKS.....	13
<input type="checkbox"/> Verify Statement Messages.....	13
<input type="checkbox"/> Verify User Profiles	13
<input type="checkbox"/> Student Loan Processing (Quarterly).....	13
<input type="checkbox"/> Verify the IRA Balance File.....	13
<input type="checkbox"/> Verify the HSA Balance File	13

INTRODUCTION

This manual is designed to provide instructions and a checklist of verification tasks that should be performed on a monthly basis by your credit union. These tasks are part of your normal due diligence to ensure that your member records are being processed accurately and consistently.

Using This Guide

The Table of Contents on the preceding page can also serve as a checklist that should be performed each end of month. Specific instructions for each step are included on the pages noted.

Depending on your credit union's procedures and policies, you may want to set up a binder in which you can store reports and other notes pertaining to the monthly verification process. Or you may require that the checklist be "signed off" each month by a designated employee, storing the signed list with any pertaining supporting data attached.

Share/Draft Accounts

This section contains verifications related to your share and share draft accounts types. **Be sure to pay special attention to any share dividend type that had a problem paying dividends in the past and any new products you have added recently.**

☐ Verify Rate Changes

Run **Tool #680 Print Share Dividend Appl Config Reports**. This report should be run every month before the end of month to verify pending rate changes.

The report should be run again first thing in the morning on the day after the rate change effective date to verify that the change did occur as expected. You can also just access **Rate Quoter** or **Tool #506 Member Rate Maintenance** and verify visually that the changes did occur and the new rate is correct. Making this part of your normal routine is critical to avoid problems with member accruals when rates don't change as you expected!

☐ Run Dividend Regeneration

Regeneration of dividends must be done after the Credit Union is closed and everyone is off the system. Dividends can be recalculated for *Simple* (S) Dividend Calculations and *Compound* (C) Dividend Calculations.

Note: Please contact Client Services to request a Dividend Regeneration.

☐ Verify Dividend Accruals

Randomly choose some share and share draft accounts for each dividend application to verify the dividends that will pay. You can use these accounts each time you verify. Choose a diverse sampling of accounts (varying balance ranges, new accounts, existing accounts etc.)

You will need to know the type of dividend calculation method used for each product to verify dividends. Refer to the Dividend Calculation type on the Dividend Rate Configuration report (the fourth column from the left):

- S Simple Daily
- C Compound
- D Average Daily (*no accruals to verify*)

If you use the **Simple Daily** calculation type, perform an inquiry on the account suffix and use the *Dividend/Interest Calc* (F11) feature to view the system calculation of the accrued dividends:

Month-End Processing Verifications

Session 0 CU*BASE GOLD Edition - ABC CREDIT UNION

File Edit Tools Help

Share Accrual Calculator

Account: [REDACTED] Account open date: Jul 20, 2011
Dividend appl: GT GROWTH SAVINGS II Dividend period start: Apr 2019 [MMYYYY]
Current accrued: 4.693 Dividend period end: May 2019 [MMYYYY]
Accrued as of: Jun 19, 2019

Date	Balance	Amount for Calculation	Div Rate	Daily Rate	Daily Accrual	Accumulated Accrual
Apr 01, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	0.175
Apr 02, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	0.350
Apr 03, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	0.525
Apr 04, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	0.700
Apr 05, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	0.875
Apr 06, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	1.050
Apr 07, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	1.225
Apr 08, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	1.400
Apr 09, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	1.575
Apr 10, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	1.750
Apr 11, 2019	42,666.75	42,666.75	0.15	0.00000410	0.175	1.925

Computed accrual: 10.715

Calculation Details
Print

← → ↑ ↓ ⏸ 🔗 ⓘ ? @

This screen does the calculation for you. You can also press *Calculation Details* (F1) to see the dividend calculation formula.

Remember to consider **Leap Year** in your calculations!

Refer to online help while working on this screen for more information.

To verify **Average Daily Dividends** after dividends have paid, use the dividend calculation formula shown in CU*BASE Online Help (use keyword "Dividend Calc").

❑ Verify Dividend Posting Totals

Review the **Share Dividend Transaction Register** (TDIVD11) report to compare total dividends paid for each share product for each period and match it to the previous periods posting. The new dividend amounts should seem reasonable. If you pay dividends quarterly (or longer), you may need to refer to your long-term archival solution for previous period's posting reports.

Review all dividend exception reports.

❑ Verify Share Marketing Club Benefit Dividend Accruals

1. Review the Share Club Benefit configuration screens from **Tool #486 Marketing Club Configuration** for club benefit parameters if applicable.
2. Randomly choose some accounts to verify the accrued dividend amounts. Keep track of these account numbers by listing them on a page next to each Club. You can use these accounts each time you verify.
3. Review the daily Posting and Exception reports for each club. Reports for Share benefits:

☐ PDIVMR4 - Daily Accrued Benefit Report

☐ TDIVD14 - Transaction Register (when dividends post)

4. View some of the accounts that received a benefit and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
5. Match the new report totals to prior month report totals. The totals should be reasonable.

☐ **Verify Custom Bonus Dividends**

1. Document the Bonus Dividend specifications and insert each one in this section of the book.
2. Review the Posting and Exception reports for each bonus dividend. View some of the accounts that received a dividend and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

Certificate Accounts

This section contains verifications related to your certificate accounts. **Be sure to pay special attention to any new certificate products added recently.**

☐ Verify Current CD Rates

Run **Tool #635 Print CD Configuration Report**. This report will list each certificate product that your credit union offers. Make sure all the rates are accurate. Insert this report into this section of the book.

☐ Verify Variable CD Rate Changes

Print the screens from **Tool #192 CD Variable Rate Configuration**. Make sure the correct rates and dates are listed. Review any beginning of day reports that get generated.

Create a query that finds every member in a specific *CD Type* and make sure the correct variable rate code is attached.

☐ Verify Accrued Dividends

Randomly choose some accounts to verify the accrued dividend amounts. You can use these accounts each time you verify. Choose a diverse sampling of accounts (varying balance ranges, new accounts, existing accounts etc).

Certificates use the simple daily accrual method to calculate dividends. Refer to the formula shown in CU*BASE GOLD Online Help (use search keyword "Dividend Calc").

Remember to consider **Leap Year** in your calculations!

☐ Verify Daily CD Dividend Posting and Exception Reports

Review the Daily Certificate reports: TBCDTB1, TBCDTB2, TBCDTB3, and TBCDTB4.

☐ Verify Marketing Club Benefit Dividend Accruals

1. Review the CD Club Benefit configuration screens from **Tool #486 Marketing Club Configuration** for club benefit parameters if applicable.
2. Randomly choose some accounts to verify the accrued dividend amounts. Keep track of these account numbers by listing them on a page next to each Club. You can use these accounts each time you verify.
3. Review the Posting and Exception reports for each club. Reports for certificate benefits:
 - ☐ TBCDTB5 - Share Certificate Daily Benefit Accrual Report (shows both accruals and benefits paid)
4. View some of the accounts that received a benefit and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.

Month-End Processing Verifications

5. Match the new report totals to prior month report totals. The totals should be reasonable.

Loan Accounts

This section contains verifications related to your loan and line-of-credit accounts. **Be sure to pay special attention to any new loan products added recently.**

☐ Verify Variable Rate Changes

Run **Tool #660 Print Loan Variable Rate Config Report**. Make sure the correct rates and dates are listed.

☐ Verify Variable Rate Codes on Loan Accounts

In order for variable rate changes to occur, the proper Variable Rate Code must be recorded on the member loan account. Create a Query that finds every member in the appropriate loan category(ies) and make sure there is a Variable Rate Code and that the code is correct.

☐ Verify Variable Rate Change Reports

Review the Variable Interest Rate Loan change report (USVIE). This report will list all loan accounts that had a rate change.

☐ Verify the Payment Change Report

Review the Payment Change Report (POCPMT). This report will list all loan accounts that had a payment, due date, and rate change.

☐ Verify Accrued Interest

Randomly choose some accounts for different loan types (Mortgage, Closed End, Lease, etc.) to verify the accrued interest. You can use these accounts each time you verify. Choose a diverse sampling of accounts (varying balance ranges, new accounts, existing accounts etc.)

Typically, loan accounts accrue daily interest using a 365-day calculation method. You can verify the calculation type by performing an inquiry on the loan account. You can also verify this by looking at the loan category configuration if you are unsure. Use the inquiry function on the account suffix and *Interest Calc* (F11) to view the system calculation of the accrued interest. This screen does the calculation for you. You can also press *Calculation Details* (F1) from this screen to see the interest calculation formula.

☐ **Verify Club Benefit Interest Refunds**

1. Review the Loan Club Benefit configuration screens from **Tool #486 Marketing Club Configuration** for club benefit parameters if applicable.
2. Randomly choose some accounts to verify the accrued interest refund amounts. Keep track of these account numbers by listing them on a page next to each Club. You can use these accounts each time you verify.
3. Review the Posting and Exception reports for each club. Reports for loan benefits (these pay monthly, so look on the last day of the month):
 - ☐ TLNBENC - Loan Club Benefit Payment Transaction Register
 - ☐ TLNBENC2 - Exception report
4. View some of the accounts that received a benefit and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
5. Match the new report totals to prior month report totals. The totals should be reasonable.

☐ **Verify Custom Bonus Interest Refunds**

1. Document the Bonus Interest refund specifications and insert each one in this section of the book.
2. Review the Posting and Exception reports for each bonus interest refund. View some of the accounts that received a refund and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

Fees and Service Charges

□ Verify Monthly Service Charges

Minimum Balance, Account, and Transaction Service Charges

1. Print the Service Charge Configuration Screens from **Tool #810 Service Charge Configuration** and insert each one in this section of the book.
2. Review the Posting and Exception reports for each service charge. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify Annual Service Charges

Minimum Balance, Account, and Transaction Service Charges

1. Document the Service Charge specifications and insert each one in this section of the book.
2. Review the Posting and Exception reports for each service charge. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to previous posting report totals. You may need to refer to your long-term archival solution for previous year's posting reports. The totals should be reasonable.

□ Verify Dormancy Fees

1. Review the Dormancy Fee Configuration Screen from **Tool #346 Dormancy/Escheat Configuration** for fee parameters.
2. Review the Posting and Exception reports. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify Deposit Item Fees

1. Print the screen in **Tool #339 Deposit Item Fee Configuration** and insert it into this section of the book.
2. Review the Posting and Exception reports. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify Marketing Club Membership Dues

1. Review the Marketing Club Fee Configuration screens from **Tool #486 Marketing Club Configuration** for Club Dues parameters.
2. Review the Posting and Exception reports for each fee. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify Bill Payment Fees

1. Review the Bill Pay Fee Configuration screens from **Tool #175 Bill Pay Service Charge Configuration** for fee parameters.
2. Review the Posting and Exception reports for each fee. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify Self-Service Fees (Audio / Online Banking)

1. Review the screen from **Tool #274 Configure Self-Service Fees** for fee parameters.
2. Review the Posting and Exception reports for each fee. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify e-Statement Fees

1. Review the e-Statement Fee Configuration Screens from **Tool #262 Configure Monthly eStatement Emails**.
2. Review the Posting and Exception reports for each fee. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

Month-End Processing Verifications

□ Verify Paper Statement Fees

- 1 Review the Printed Statement Style Configuration Screens from **Tool #271 *Configure Printed Statement Styles*** for fee parameters.
- 2 Review the Posting report (PESTMTN3). View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
- 3 Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify ATM Surcharge Rebates

- 1 Review the ATM Surcharge Rebate Reward Program Configuration screens from **Tool #143 *ATM Surcharge Rebate Reward Program Cfg*** for rebate parameters.
- 2 Review the Posting report (TATMSR). View some of the accounts that received a rebate and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
- 3 Match the new report totals to prior month report totals. The totals should be reasonable.

□ Verify Safe Deposit Box Rental Fees (*Posted On Demand*)

Refer to our Online Help section for an overview of the complete safety deposit box process.

1. Run the report from **Tool #773 *Safe Deposit Box Report*** and review for accuracy prior to posting the fees.
2. Review the Posting and Exception reports for the safety deposit fees. View some of the accounts that were charged a fee and make sure these are correct. Review the accounts that were on the exception report and make sure these are correct exceptions.
3. Match the new report totals to prior month report totals. The totals should be reasonable.

Other Miscellaneous Monthly Tasks

☐ Verify Statement Messages

Review **Tool #914 Update Statement Messages/Insert Instruc** to verify the marketing messages that will appear on member statements. Remember that for December statements, if you are using statements as substitute 1099-INT forms, no marketing messages are allowed.

For more information, refer to the [Statement Mailing & Printing Instructions](#) booklet.

☐ Verify User Profiles

Review the user log using **Tool #933 User ID Information & History** and request the appropriate changes. Online clients must submit requests for changes (additions, deletions etc.) to Client Services.

☐ Student Loan Processing (Quarterly)

Perform the appropriate quarterly processing, if applicable.

☐ Verify the IRA Balance File

Compare your IRA-related paperwork against what is recorded in your CU*BASE files, to ensure that the IRA Balance File is in sync with your member records. *(Doing this on a monthly basis will make it much easier to verify the IRA balance file after year-end.)*

Review the report from **Tool #942 Verify IRA Balances Report**.

On the first report, for accounts where totals do not match, use **Tool #918 Update Trans Desc & IRA/HSA Post Codes** to modify IRA codes for individual transactions, or use **Tool #896 Update IRA Balance Information** to adjust the totals in the IRA balance file, depending on the individual situation.

On the second report, If you see any records marked * MISMATCH, you will need to maintain the records showing death distributions that were made to beneficiaries from **Tool #897 Update IRA Beneficiary Information**. Refer to the "IRA Processing with CU*BASE" booklet for further instructions.

☐ Verify the HSA Balance File

If your credit union has HSA accounts, compare your HSA-related paperwork against what is recorded in your CU*BASE files, to ensure that the HSA Balance File is in sync with your member records. *(Doing this on a monthly basis will make it much easier to verify the HSA balance file after year-end.)*

Review the report from **Tool #941 Verify HSA Balances Report**.

Month-End Processing Verifications

For accounts where totals do not match, use **Tool #918 *Update Trans Desc & IRA/HSA Post Codes*** to modify HSA codes for individual transactions, or use **Tool #893 *Update HSA Balance Information*** to adjust the totals in the HSA balance file, depending on the individual situation.