Non-Member Teller Services

Providing Check Cashing and Other Lobby Services to Non-Members

INSIDE THIS GUIDE:

This guide describes how to configure and use both the CBX Teller Processing system and the CBX Non-Member Database to perform services for individuals who are not members of the credit union.

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Overview

The CBX Teller Processing system lets you serve financial service customers who are not members of the credit union, by allowing them to cash checks, get cash advances on a credit card, or even to purchase traveler's checks at the teller line. You can control who can receive these services and what they can do.

Activity is tracked using the same teller reports and other balancing routines you already use for members, so you make the most efficient use of the resources you already have.

Services You Can Offer

The CBX Teller Processing system allows credit unions to perform basic teller transactions for non-members, including:

- Cashing checks

- Miscellaneous receipts (purchasing traveler's checks, tickets, etc.)

- Miscellaneous advances (credit card cash advances)

- Miscellaneous receipts (cashing in-house checks) (Credit unions should evaluate the risk of offering these services.)

- Creating a corporate check (Credit unions should evaluate the risk of offering these services.)

All are optional, so you can activate any or all of them as you wish, depending on the services you wish to offer. For example, you may offer check-cashing services and credit card advances to non-members, but not allow non-members to purchase misc. receipts.

See page 4 for more details.

Specialized Fee Structure

Check cashing fees for non-members are configured separately from the fees you charge to members. This allows you to set up a special fee structure for individuals who do not want to join the credit union but still wish to cash their weekly paychecks.

See page 5 for more details.

Qualifying Non-Members for Service

Non-members can be "qualified" or approved for teller services. A flag is available on the CBX non-member database record that must be checked in order for the non-member to be allowed to receive your configured services. For example, your credit union procedure may require that identity be confirmed and a credit check or other verification performed or even that a document of some sort be signed by the non-member agreeing to pay all appropriate fees. Once this procedure is done, the non-member record can be flagged to allow teller services to be performed.

See page 6 for more details.

Configuring and Activating Non-Member Services

Tool #336 *Define Non-Member Teller Services*

The primary teller non-member service is check cashing, so this must be activated in order to perform any non-member services. However, both misc. receipts and misc. advances are optional, so you could allow only check cashing services to your members, but nothing else, if you wish.

- **CU*TIP**: If you charge a fee for misc. cash advances, such as Visa or MasterCard advances, the fee is charged using a misc. receipt. Therefore, you would need to activate both features.

If the *Use control flag in non-member record* is checked, the system will require that the non-member record be flagged to allow teller services. See page 6 for details on setting this flag.

Configuring Check Cashing Fees for Non-Members

Tool #188 *Cashed Check Fee Configuration*

This fee configuration contains a separate set of parameters specifically for non-member activity: the Non-Member Cashed Checks section controls fees for non-members who are allowed to cash checks at the teller line. No "free" items are allowed for non-members when calculating the fee using a percentage of checks cashed.

Be sure that the *Activate Check Cashing Fees* box is checked in order to begin charging these fees.

Like the fees for members, you can choose one of two methods to calculate the fee amount:

- **Flat Fee** - This option lets you specify a flat fee to be charged regardless of the amount of the checks being cashed.

- **Percentage of Checks Cashed** - With this option, the fee is calculated at the time of the transaction by adding the total amount of checks being cashed and multiplying by a percentage. Similar to the "quick cash" check-cashing centers, which are becoming common in most cities, this method is particularly helpful in offsetting the specific costs associated with processing cashed checks.

This is an interactive fee, charged as a miscellaneous receipt through the teller auditing system (for both members and non-members). The system uses these fees when *Cash* is used in the Teller Funds In screen. These fees are charged immediately at the time of the transaction, reducing the amount of cash back, and the income is processed as a miscellaneous receipt. (See page 7 for more information about how non-member transactions are posted.)

The fee configuration allows you to decide what miscellaneous receipt G/L code will be used to post the fee income, and a separate code can be used for members and non-members, so that you can track this income separately.

Maintaining Non-Member Database Records

Creating or Modifying a Non-Member Record

Non-member records are created to document many different relationships in CBX, including joint owners, IRA beneficiaries, or loan co-borrowers that are not currently credit union members. In addition, non-member records can be created manually to enter a record of an individual for future use.

If non-member services are activated, tellers will be allowed to add non-member records to the database before proceeding to the Funds In screen.

Qualifying Non-Members for Service

The procedure your tellers and MSRs should follow when deciding whether a non-member should be allowed to request teller services will depend on your regulatory requirements and an assessment of the risk associated with cashing checks.

Tool #997 *Work With Non-Member Database*

This screen will appear if you are assisting the non-member in Teller but the person's Social Security number is not in your non-member database.
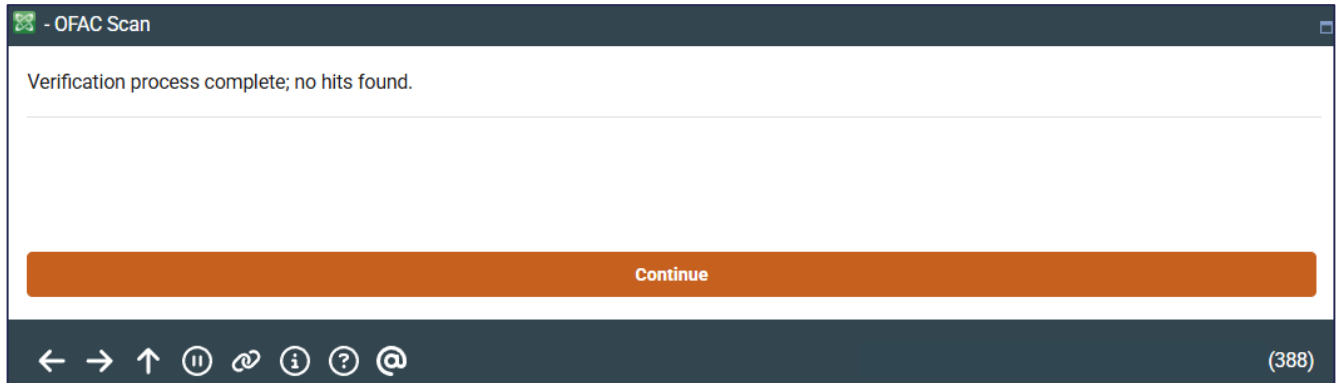
Regardless of the verifications you decide to perform, if they are required before allowing teller services, remember to activate the *Use control flag in non-member record* box in the Non-Member Teller Service Configuration (see page 4).

After the proper verifications have been performed, check *Allow teller transactions* on the Non-Member Information screen as shown previously.

(You must also check or uncheck the *Deny Membership* checkbox. Check the box to prevent a membership from being opened for this person. If this exact SSN is entered when opening a new membership, the system will display an error message and prevent a membership from being opened. Leave the box unchecked to allow a membership to be opened for this person.)

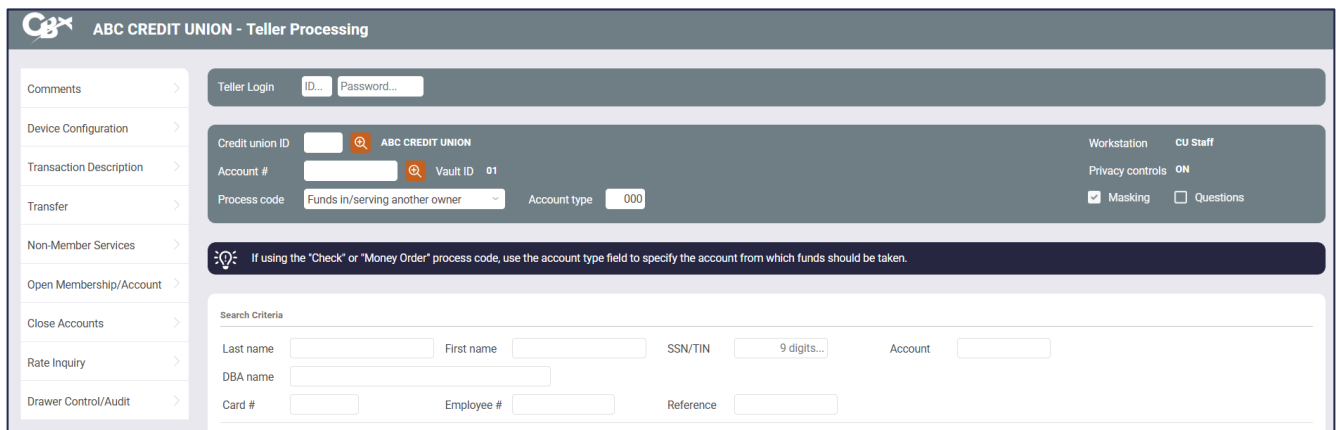Once the information is entered, an OFAC scan will be run on the non-member information.

OFAC Scan

If you are in processing this non-member though Teller, the Verify Non-Member screen will appear next (as shown on page 8).
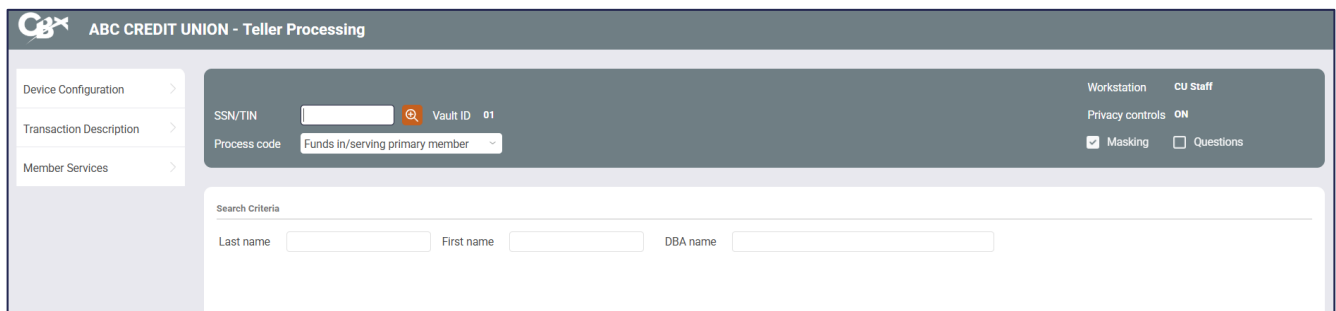
Posting Non-Member Transactions

Tool #1 *Teller Line Posting*

Teller Processing (Tool #1 > Non-Member Services)

After clicking the **Non-Member Services** button, enter the non-member's Social Security or Tax ID number. (You may also enter a name in the Search Criteria fields to locate an existing record in your non-member database.)

- To cash a check or purchase a Misc. Receipt (if allowed), choose the Funds in/serving primary member *Process code* and use Enter to proceed to the Funds In screen (shown on Page 9). If this field does not appear, simply use Enter to proceed automatically to Funds In.

- To post an advance against a credit card (if allowed), choose the Misc. advances *Process code* and use Enter to proceed to the Misc. Advances screen (shown on page 9). This feature can also be used to cash an in-house check.

Tips:

- If there is no existing non-member record on file for this individual, the screen shown on page 6 will automatically appear before proceeding. Follow your credit union's procedures for creating the database record and qualifying the non-member to receive teller services.

- If the SSN/TIN entered matches an existing member record, an error message will appear; use **Member Services** to return to the previous teller screen for working with members.

- If the *Allow Teller Transactions* checkbox on the non-member record is NOT checked, and your non-member teller services configuration requires this control (see page 4), an error message will appear, and the teller will not be allowed to perform transactions for this non-member.

- If a member wants to take a credit card advance and use the money to purchase travelers checks, tickets, or another misc. receipt item:

  1. Post the Misc. Advance as usual.

  2. Then, take the cash and post a second transaction to purchase the Misc. Receipt (use the Funds in/serving primary member *Process code*, then **Misc Receipts**).

- If a member wants to cash an in-house check (and then receive a corporate check):

  1. Post the Miscellaneous Receipt as usual.

  2. Then use the corporate check feature to issue a check.

A CU must evaluate the relative risk of any non-member services and establish good internal procedures to mitigate any identified risk due to human error or fraudulent activity.

Non-Member Teller Verify ID and Teller Posting

If the Funds In process code is selected, the next screen is a slightly modified version of the Member Verify ID screen. This screen allow you to verify the photo identification of the non-member, sell him or her other credit union products or services, or view secondary names associated with the account.

Screenshot

Use Enter to move to the Teller Posting screen.

Screenshot

This is just a slightly modified version of the normal Teller Posting screen. Only those features that can be performed for non-members will appear, according to your configuration settings.

- To cash a check: To cash checks, click the **In-House Checks** or **Outside Checks** buttons or click the ⬚ ⬚ buttons next to Outside checks or In-house checks.
  - NOTE: Because there is no account against which to hold the funds, check holds cannot be placed for non-members.

  Outside Checks: Click the ⬚ button to move to the Outside Check screen. On this screen, you can enter each check to itemize them separately.

  In-House Checks: If any in-house checks (checks that are drawn on your own credit union against another member's account) are being cashed or deposited, click the ⬚ button to move to the In-house Checks screen. Here you can individually enter each check.

- To purchase a miscellaneous receipt (if allowed): Enter the check and/or cash amounts and use **Misc Receipts** to proceed to the Misc. Receipts screen (shown on page 10) and post the transaction. NOTE: This can be used with the corporate check feature to cash an in-house check.
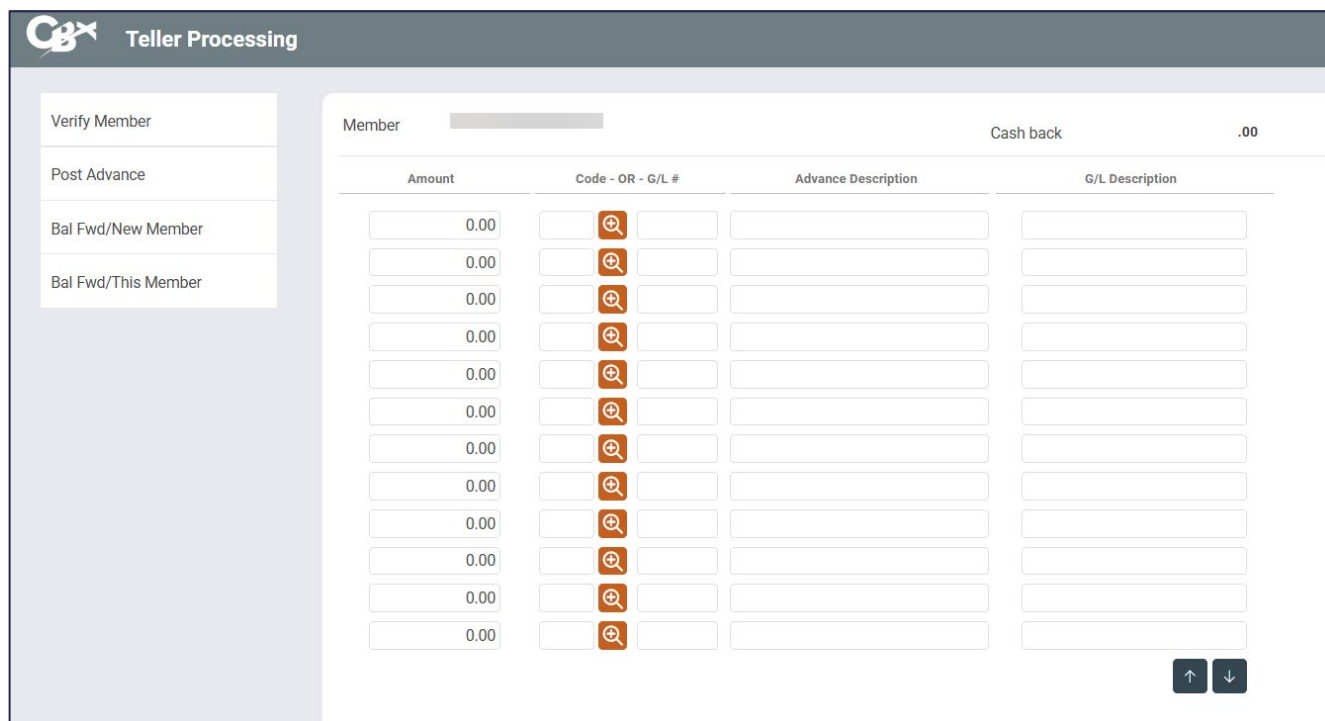
See page 11 for more information about how these transactions are posted.

- If the fee is changed or cleared, a record will appear on the Fee Waiver Information report, which is available using **Tool #371 *Fee Waiver Information Report***.

Non-Member Miscellaneous Advances

If the Misc. Advances *Process code* was selected on the initial screen, the following screen will appear:

Tool #1 > Non-Member Services > *Process code*= Misc. advances

This is the same screen used to post misc. advances for members. Simply enter the amount, the appropriate configured misc. advance *Code*, and any desired descriptions. Use Enter to confirm, then **Post Advance** to complete the transaction.

- **CU*TIP:** Misc. advance codes are configured using **Tool #534** *Misc. Posting Codes Configuration*. For more information, refer to the separate booklet, [Miscellaneous Advances](#).

If you wish to charge a fee for this transaction, add the fee amount to the advance transaction. After the advance is posted, post a separate misc. receipt using the appropriate code for the fee. (For example, if the member wants a $500 cash advance and you charge a $2 fee for this service, post the misc. advance for $502, and then post a misc. receipt for $2.)

Non-Member Miscellaneous Receipts

If **Misc Receipts** is used on the Non-Member Funds In screen, the following screen will appear next to allow you to post the misc. receipt and any remaining cash back.

Tool #1 > Non-Member Services > *Process code*= **Funds in/serving primary member > Misc Receipts**

This screen works just the same as the screen used for members. Once all of the information is entered, use Enter to confirm then use **Post** to complete the transaction.

If you want to issue a corporate check to the non-member for an in-house check that they cash, fill out the amount of the check(s) to be issued, choose the miscellaneous receipt code configured for this purpose, and type the G/L description. Use Enter to confirm. Then use **Post**. Then use the corporate check screen to issue the check. See page 11.

- A CU must evaluate the relative risk of any non-member services and establish good internal procedures to mitigate any identified risk due to human error or fraudulent activity.

Non-Member Transaction Receipts

Receipts will be printed the same way as for member transactions; however, only the non-member's name will appear on the receipt. There will be no account number, and to protect the non-member's privacy, the SSN/TIN will not be printed on the receipt.

Data that will appear on a non-member receipt:

For research purposes, any receipt that does not show an account number indicates a non-member transaction.

Print a Corporate Check for the Member

If you want to issue a corporate check to the non-member for an in-house check that they cash, fill out the amount of the check(s) to be issued on the Miscellaneous Receipt screen (see page 10). Choose the miscellaneous code configured for this purpose and type the G/L description. Use Enter to confirm. Then, use **Post**.

- A CU must evaluate the relative risk of any non-member services and establish good internal procedures to mitigate any identified risk due to human error or fraudulent activity.

Then, print the check using the Corporate Check screen (shown below).

Tool #667 *Print Miscellaneous Checks*

Select the *Misc expense code* used with the miscellaneous receipt and fill out the *Check amount* and Pay To information and use Enter (twice) to print the check.

Tracking Non-Member Teller Activity

Non-member teller transactions are posted the same as member transactions and will "sweep" to the G/L in the same way as member cashed checks, misc. receipts, and misc. advances transactions are handled. These transactions will be included on all of the normal teller daily reports and will be balanced in the teller drawer along with member transactions.

Teller Audit Key Inquiry

Tool #1 > Drawer Control/Audit > Audit

All teller transactions, whether for members or for non-members, will appear in the Teller Audit Key inquiry feature available through Teller Drawer Control. Notice that audit keys for non-member transactions show the non-member's SSN/TIN in the Account column.

Adjusting Audit Keys for Non-Member Transactions

If adjustments are needed to a non-member audit key, you must use **Tool #120 *Adjust Teller Drawer/Audit Keys*** to delete the audit key. The Member Transaction Reversal feature does not apply to non-member transactions. Use the inquiry feature (above) to locate the audit key number to be used on the initial Teller Drawer Adjustments screen.