

---

# Qualified Dividends

## Offer Members Qualified Rates on Checking and Savings Accounts

### INTRODUCTION

If your credit union is thinking about getting into reverse-tiered rates and qualifying members for dividends based on certain behavior, then CU\*BASE Qualified Dividends might be just the thing!

In a nutshell, you can configure a checking or savings dividend application with specific eligibility requirements, then set up two rate schedules: the **qualified** rate schedule, which can have multiple ranges for regular or reverse tiers (i.e., lower rate at higher balances) and the **base** rate for non-qualified accounts, which can even be set to 0% if you wish. When dividends are posted at the end of the month, CU\*BASE will automatically evaluate the membership for enrollment in products your credit union selects such as eStatements and transaction activity on the member's account configured for the Qualified rate. It will then calculate dividends according to the appropriate rate schedule.

When dividends are posted, the Qualified Dividend Scoring report is archived in CU\*SPY. Use this report to monitor reasons members failed to qualify for the qualified dividend to gauge the effectiveness of your program. Two reports, one of members who qualified and one of those who did not, are also created at that time, along with export-ready files you can use to communicate to the members via Member Connect tools.

In addition to marketing these products online to your members on your loan rate board, you can also provide members who purchase them with up-to-date information on their status toward earning the higher rate.

### CONTENTS

|                            |   |
|----------------------------|---|
| BEING AN INTERNET RETAILER | 3 |
| FEATURES AND SPECIAL NOTES | 5 |
| FEATURE HIGHLIGHTS         | 5 |
| PRODUCT REQUIREMENTS       | 6 |

Revision date: June 4, 2024

|   |    |
|---|----|
| CONFIGURING THE QUALIFIED DIVIDEND PRODUCT .....  | 7  |
| CONFIGURING THE DIVIDEND APPLICATION .....  | 7  |
| CONFIGURING THE QUALIFYING CONDITIONS .....   | 8  |
| CONFIGURING CONDITIONS FOR SPECIFIC ORIGIN CODES .....  | 12 |
| USING QUALIFIED DIVIDENDS FOR ATM USAGE REBATES (ATM SURCHARGE<br>OR ATM SERVICE CHARGE) OR CARD ACTIVITY REBATES (CAR) ..... | 15 |
| SAMPLES OF QUALIFIED DIVIDENDS PROGRAMS (IN RATE INQUIRY) .....   | 17 |
| CONFIGURING TIERED RATES FOR QUALIFIED DIVIDENDS .....  | 19 |
| CONFIGURING QUALIFIED DIVIDEND PRODUCTS TO SHOW IN ONLINE<br>BANKING .....  | 21 |
| MEMBER-FACING SIDE OF QUALIFIED DIVIDENDS .....   | 23 |
| OFFERING QUALIFIED DIVIDEND PRODUCTS ON YOUR ONLINE RATE BOARD  | 23 |
| MEMBERS CAN TRACK PROGRESS TO QUALIFY FOR HIGHER DIVIDEND RATE .....  | 24 |
| QUALIFIED DIVIDEND INFORMATION ON STATEMENTS .....  | 26 |
| QUALIFIED DIVIDENDS SCORING REPORTS .....   | 27 |
| ON DEMAND .....   | 27 |
| CU*SPY (SHARE ACCOUNT ACTIVITY) .....   | 28 |
| FINAL SCORING AND POSTING OF DIVIDENDS .....  | 29 |

---

# BEING AN INTERNET RETAILER

Internet retailers utilize all online banking tools at their disposal to maximize the targeted exposure of their products.

This section covers the Qualified Dividend tools built right into CU\*BASE and **It's Me 247** your credit unions can use to be more effective in selling products online. Use them as part of your arsenal to provide special pricing and discounts, and to create meaningful differentials between what is offered via other channels and what is offered via online banking.

## What is the member experience online?

When you sell Qualified Dividend products on your rate board, members see the difference since the product will be presented with a special “QD” button. This gives easy access to learn more about the special requirements to receive the higher rate. Once the member opens this checking account, they can use a special tracking page in online banking to watch their progress toward the higher rate.

*See page 23 for examples of what the member sees.*

## How does the member see the DIFFERENCE in participating with you online?

The member sees the difference in participating with your credit union online when this results in a higher dividend payment on qualified accounts. It is more likely that they will open the Qualified Dividend checking (or savings) account due to the special rate board features. Also, if they return to online banking to monitor their progress, it is more likely that they will receive the higher rate.

## Who can I turn to for more assistance?



Don't have time to set it up? Engage the Earnings Edge team to help you design and execute this initiative.

## What is a breakdown of the steps for my credit union?

- Create a checking (or savings) account dividend product and use the Qualified Dividend configuration to set up qualifiers for the higher rate. These might include membership-level requirements such as enrollment in eStatements or bill pay. Additionally, you can require transaction activity on the account configured for the Qualified rate, for example a minimum dollar amount of ACH transactions or minimum number of debit card transactions. *See page 7 for examples of screens that help you configure a Qualified Dividend product.*

- Activate the feature that allows members to use online banking to track their progress (real-time) toward the higher rate. *This is also in the configuration section.*
- Enter the sales text the member will see online that explains these qualifiers and any other marketing text you want the member to see. This is done in the Member Sales Text information screen, accessed from Rate Maintenance. *See Page 12 for more information.*
- Activate this product so that it will show on the rate board for purchase. *See page 21 for setting this product up on the rate board.*

---

# FEATURES AND SPECIAL NOTES

## FEATURE HIGHLIGHTS

- Set general membership-level qualification parameters including e-Statement enrollment, bill pay enrollment, minimum online banking logins, and/or minimum audio response calls.
  - For general qualifying factors that affect the entire membership, including those above, the member is evaluated across the membership to determine if they qualify for the higher rate.
- Set transaction requirements activity on the account configured for the qualified rate. These are configured either by number of transactions or total dollar amount. Transactions are specified by origin code and can be separated by debits and credits, so you could, for example, require the member to receive at least one ACH or Payroll deposit per month in order to be eligible for the qualified rate schedule.
  - Depending on the Qualified Dividend configuration, a member qualifies for the Qualified rate based only on the activity for the individual Qualified sub account configured for the higher rate or on activity of all sub accounts in the membership.
- Includes flexible controls for ATM/PIN-based and debit card/signature-based transactions made on the account configured for the qualified rate, since every ATM/Debit card vendor handles these transactions a little bit differently.
  - Depending on the Qualified Dividend configuration, a member qualifies for the Qualified rate based only on the activity for the individual Qualified sub account configured for the higher rate or on activity of all sub accounts in the membership.
- When dividends are posted, a new Qualified Dividend Scoring report will be generated showing which members received which rate, and why, to help you answer member inquiries. Two database files will be created in your QUERYxx library so you can use Member Connect tools for further marketing, if desired – such as congratulating members who received a dividend, and encouraging members who did not to review the program requirements so they will get a dividend next month.
- You can even run this same scoring report as a “simulation” during the month, prior to actual dividend posting, to keep an eye on how members are falling within your rate tiers.
- You may also use the member’s use of a Qualified Dividend product to determine eligibility for ATM Surcharge Rebates, ATM Service Charge Rebates, and Card Activity Rebates (CAR). See page 15 for more details.
- You may sell these products on your loan rate board and explain the details for qualifying for the higher rate in the loan information text.
- Members can log on to **It’s Me 247** to track their progress toward qualifying for the higher rate. **See Page 24.**

## PRODUCT REQUIREMENTS

Checking and savings products can be configured to have Qualified rates. Those Dividend Applications used for Qualified rates must meet certain conditions:

- The product must have **monthly** dividend payments using the **Average Daily Balance** dividend calculation method. Products with daily accruals (simple daily or compound daily) are problematic since in this case, dividends are accrued throughout the month (with corresponding G/L expense accruals)—which would conflict with the final posting of a qualified rate, resulting in the need for reversals, and lead to complications with calculating APY for the account.

*NOTE: If this is the first time you will be offering an Average Daily Balance product, make sure you understand how the calculation works! In CU\*BASE GOLD online help, search for keyword “Average Daily Balance” and familiarize yourself with how this dividend calc. method determines the member’s average balance for the dividend period and uses this when calculating dividend amounts.*

- The Dividend Period must be monthly. Members are scored monthly and the resulting dividend must also be posted monthly.
- CU\*BASE does not support the simple daily calculation in coordination with Qualified Dividends.
- Because the split rate structure is used to control the qualified vs. the non-qualified rate, the Dividend Application must be set up as a **plateau rate**. The rate you pay to qualified members can also have additional split levels if you wish, or just pay a single rate for all qualified members, but in any case it must be set up as a plateau (blended) rate. See Pages 7 and 19.
- If you use a Qualified Dividend rate on a Dividend Application, it cannot also be used in conjunction with Share Rate product marketing club programs. Refer to the CU\*BASE Marketing Club booklet for more details.

# CONFIGURING THE QUALIFIED DIVIDEND PRODUCT

Configuring a dividend product with a Qualified Rate involves working with three screens in CU\*BASE: the Share Account Setup screen, the Configure Conditions for Qualified Dividends screen, and, if transaction requirements are desired, the Required Activity by Delivery Channel. Although setup is minimal, good planning is necessary for a successful deployment of this feature.

Checking and savings accounts can be configured with Qualified Dividend controls.

## CONFIGURING THE DIVIDEND APPLICATION

### Savings/Checking Products Configuration (Tool #777) > “Dividend Information” tab

CU\*BASE does not support the simple daily calculation in coordination with Qualified Dividends.

Dividends used for Qualified Dividend programs must use a Plateau tiered rate structure, which allows for different rates to be paid for different portions of the member's balance (a *blended* rate). This box must be checked to allow for this feature in Rate Maintenance.

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

File Edit Tools Help

**Share Account Setup** Update

Dividend application BU Corp ID 01 FRANKENMUTH CREDIT UNION

General Account Information **Dividend Information**

Start date Jul 01, 2018 [MMDDYY] Next pay date Aug 01, 2018 [MMDDYY] Calc date Jul 25, 2018 [MMDDYY]

Pay frequency Monthly Dividend calculation type Average daily (no accrual)

Minimum balance to earn a dividend (Whole dollars)

Minimum balance penalty code End of period

Dividend pay code Addback Allow change on account open

Create Secured Shares Record 0.00

☒ Plateau dividend HSA

Base rate 0.00

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

ATM surcharge rebate program code

ATM service charge rebate program

Card activity rebate program code

Configure Negative Balance Processing

Dividend rates are entered using Tool #506: Member Rate Maintenance

Suspend Save Skip Qualified Dividends ARU/Online Banking Checklist

ANR Scoring Debit Card Round Up

FR (2749) 10/03/18

**IMPORTANT:** A checking or savings product that has Qualified Dividends must have a plateau rate tiered structure. There will be a single rate for non-qualified members, and one or more tiers for members who qualify, based on their period-ending average balance. Be sure to check the *Plateau dividend* checkbox to allow this feature.

While on this configuration screen for your Qualified Dividends checking product, indicate that a qualifying rate attached to it by entering an “A” for “use config” in the Qualified Dividend Processing field (on the Dividend Information tab). Once this code is entered, press Enter or use the *Qualified*

*Dividends* button (F9) to move to the Configure Conditions for Qualified Rate Dividends screen, shown below.

## CONFIGURING THE QUALIFYING CONDITIONS

Use this screen to set the specific parameters a member must meet to receive the benefit of the qualified rate. The configuration allows for a great deal of flexibility so you can design a program that fits your specific requirements.

Use the *Transaction description if not qualified* field if you wish to generate a zero dollar transaction record when the member fails to qualify for the configured dividend.

Check the *Allow members to see current status via online banking* box to allow members to use online banking to real-time tracking of their progress toward the qualified rate. See **Page 24** for more details.

How to configure this section is covered in the following pages.

### Qualified Rate Configuration Screen

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

File Edit Tools Help

## Configure Conditions for Qualified Dividends Update

Dividend application: BUSINESS CHECKING

Transaction description if not qualified: **DIVIDENDS FORFEITED**

☐ Allow members to see current status via online banking

### Miscellaneous Conditions

☒ Require e-statement enrollment Minimum audio response calls: 00

☒ Require bill pay enrollment Minimum online banking logins: 00

### Required Activity by Delivery Channel

| Description            | Minimum # of Transactions | Minimum Transaction Amount | Transaction Types | Account Activity      |
|------------------------|---------------------------|----------------------------|-------------------|-----------------------|
| Direct Deposit/Payroll | 000                       | 250.00                     | Both              | All sub accounts      |
| Debit Card Use         | 005                       | 0.00                       | Debits            | This sub account only |
|                        |                           |                            |                   |                       |
|                        |                           |                            |                   |                       |
|                        |                           |                            |                   |                       |

Change Delete View

Add Condition

← → ↑ || ⏏ 🔗 ⓘ ? @ F6 (3789) 7/12/18

Use the *Transaction description if not qualified* field if you wish to generate a zero dollar transaction record when the member fails to qualify for the configured dividend. By including a permanent record in their transaction history, visible on statements and in online banking, you can notify members of the dollar amount they did not receive in the previous month to remind them of the value of the program. If no text is entered in this field, a zero dollar transaction is not created.

If the member fails to qualify for the special rate when dividends are calculated, the text entered in this field will appear as a \$0 transaction, along with the amount for which the member failed to qualify.

Example: **"DIVIDENDS FORFEITED \$8.49"**

(CU\*BASE calculates the difference between what the member received and what the member could receive for this dollar amount.)



In the example below, the text “FORFEITED DIVIDENDS” was entered in this field.

| SHARE DRAFT ACCOUNTS |                       |      |                |          |            |          |       |          |
|----------------------|-----------------------|------|----------------|----------|------------|----------|-------|----------|
| 070: SHARE DRAFT     |                       |      |                |          |            |          |       |          |
| ** Draft Recon **    |                       |      |                |          |            |          |       |          |
| Date                 | Transaction_Type      | #/ID | Transfer_Acct  | Deposit  | Withdrawal | Balance  | Dft_# | Amount   |
| 1/01/09              | * Beginning Balance * |      |                |          |            | 2,862.41 | 863   | 2,200.00 |
| 1/02/09              | ACH/US TREASURY 310   |      |                | 1,048.00 |            | 3,910.41 |       |          |
|                      | SOC SEC               |      |                |          |            |          |       |          |
| 1/02/09              | ACH WDR TRANSFER      |      | XXXXXXXX10-070 |          | 630.00     | 3,280.41 |       |          |
|                      | JOHN MEMBER           |      |                |          |            |          |       |          |
| 1/16/09              | DRAFT 00206000800     | 863  |                |          | 2,200.00   | 1,080.41 |       |          |
| 1/31/09              | FORFEITED DIVIDENDS   |      |                | .00      |            | 1,080.41 |       |          |
|                      | \$8.49                |      |                |          |            |          |       |          |
| 1/31/09              | ** Ending Balance **  |      |                |          |            | 1,080.41 |       |          |

Below this transaction description (on the screen on the previous page) is the *Allow member to see current status is online banking* checkbox. Check this box to allow members to see their current status toward meeting the requirements to receive the higher rate. (These are configured in the sections below.) See **Page 24** for what the member views online.

The next two areas of the configuration screen (on the screen on the previous page) allow you to set the requirements for receiving the dividend. These selected items are AND conditions. All requirements must be met for the member to receive the qualified dividend.

*Final qualification for these dividends is calculated at End-of-Month, although a Simulation Report allows you to preview members that do not qualify during the month. (See following sections on the report and on posting dividends.)*

The middle section of the screen allows you to select the “Miscellaneous Conditions” (membership-level qualifiers) that apply, including:

- eStatement enrollment (that the member is enrolled at the time the dividend is assessed)
- Bill payment enrollment (that the member is enrolled at the time the dividend is assessed, as opposed to activity which is not assessed)
- Minimum number of online banking logons (during the current month, as of the time the dividend is assessed)
- Minimum number of audio banking calls (during the current month, as of the time the dividend is assessed)

| Required Activity by Delivery Channel |                           |                            |                   |                  |
|---------------------------------------|---------------------------|----------------------------|-------------------|------------------|
| Description                           | Minimum # of Transactions | Minimum Transaction Amount | Transaction Types | Account Activity |
| Debit Transactions                    | 005                       | 0.00                       | Debits            | All sub accounts |
| ACH/Payroll Amount                    | 000                       | 250.00                     | Both              | All sub accounts |
|                                       |                           |                            |                   |                  |
|                                       |                           |                            |                   |                  |
|                                       |                           |                            |                   |                  |

[Change](#)
[Delete](#)
[View](#)

[Add Condition](#)

[←](#)
[→](#)
[↑](#)
[⏮](#)
[⏭](#)
[🔗](#)
[i](#)
[?](#)
[Ⓜ](#)

TR (3769) 40417

| Required Activity by Delivery Channel |                           |                            |                   |                       |
|---------------------------------------|---------------------------|----------------------------|-------------------|-----------------------|
| Description                           | Minimum # of Transactions | Minimum Transaction Amount | Transaction Types | Account Restriction   |
| Debit Transactions                    | 005                       | 0.00                       | Debits            | This sub account only |
| ACH/Payroll                           | 000                       | 250.00                     | Both              | This sub account only |
|                                       |                           |                            |                   |                       |
|                                       |                           |                            |                   |                       |
|                                       |                           |                            |                   |                       |
|                                       |                           |                            |                   |                       |

Change
 Delete
 View

Add Condition

FR 3789 4/3/17

- To add the qualifying requirements listed at the bottom of the screen, select **Add Condition** (F6). You will move to the Required Activity by Delivery Channel screen (shown on Page 12), which allows you to set the qualifying activity for a specific origin code or group of origin codes.

## 10 Qualified Dividends

and they must also perform at least five Debit Card transactions every month, and have ACH/payroll transactions of at least \$250 deposited into their account. How to configure whether the Qualified Dividend program counts only activity on the Qualified account or on all sub accounts is shown in the following section.

Qualified Dividend Configuration Screen

With these items, the membership status is used to determine whether the member qualifies for the rate.

How to configure whether the Qualified Dividend program counts only activity on the Qualified account or on all sub accounts is shown on the screen shown on the next page.

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

File Edit Tools Help

Configure Conditions for Qualified Dividends

Update

Dividend application

BUSINESS CHECKING

Transaction description if not qualified

DIVIDENDS FORFEITED

☐ Allow members to see current status via online banking

Miscellaneous Conditions

☒ Require e-statement enrollment

Minimum audio response calls

00

☒ Require bill pay enrollment

Minimum online banking logins

00

Required Activity by Delivery Channel

| Description            | Minimum # of Transactions | Minimum Transaction Amount | Transaction Types | Account Activity      |
|------------------------|---------------------------|----------------------------|-------------------|-----------------------|
| Direct Deposit/Payroll | 000                       | 250.00                     | Both              | All sub accounts      |
| Debit Card Use         | 005                       | 0.00                       | Debits            | This sub account only |
|                        |                           |                            |                   |                       |
|                        |                           |                            |                   |                       |
|                        |                           |                            |                   |                       |
|                        |                           |                            |                   |                       |

☐ Change☐ Delete☐ View

↑↓

Add Condition

←→↑||🖨🔗i?@

F6 (3789) 7/12/18

## CONFIGURING CONDITIONS FOR SPECIFIC ORIGIN CODES

### Required Activity by Delivery Channel (“Add Condition” (F6) from previous screen)

This required field allows you to select to count all transactions, only debit transactions or only credit transactions.

This required field allows you to elect whether you count all transactions on only the Qualified account or on all sub accounts of the membership.

Required Activity on Qualified Account by Delivery Channel Add

Description

Origin code

- Or -

Minimum # of transactions required 0

Minimum transaction amount required 0.00

Qualified transactions that should be counted Both Credits only Debits only

Activity to be included from This sub account only All sub accounts

The specific debit and credit transactions to be counted will depend on the origination point. Please refer to online help for a list of eligible transaction types for each origin code.

TR (3506) 4/04/17

This screen is accessed by using **Add Condition** and allows you to set qualifying activity by transaction origin that is shown on the previous page. Enter a description of the qualifying event in the field at the top of the screen. Then select the origin codes assessed with this condition (up to six can be included). If only one origin code is selected, then only one will be assessed; if two or more are selected, then activity on all origin codes combined will be evaluated to determine if this condition is met.

*For example, you might create a condition that evaluates the total amount of ACH AND Payroll transactions, if you want to make sure members have set up direct deposit of their paycheck to their credit union account.*

Additionally, you can select from the OR conditions at the bottom of this screen. Select either to count the number of transactions OR the transaction amount. You are required to designate whether to assess only credits, only debits, or both credits and debits.

Finally, you can select whether to only count activity on the Qualified dividend account or on all accounts.

## What Transactions are Counted if Configured?

If configured, all Trans code/ Trans types of the following Origin Codes are counted toward qualification for the Qualified Dividend:

| Origin | Description                   |
|--------|-------------------------------|
| 1      | TELLER PROCESSING             |
| 2      | SHARE DRAFT FROM BANK PROCESS |
| 3      | LOAN DEPARTMENT PROCESSING    |
| 4      | DIRECT POSTING PROCESSING     |
| 5      | PAYROLL DEDUCTION PROCESSING  |
| 7      | JOURNAL ACCT TRANSFER PROCESS |
| 8      | ERROR CORRECTION PROCESSING   |
| 9      | WIRE TRANSFER PROCESSING      |
| 10     | CERTIFICATE PROCESSING        |
| 11     | ACH NETWORK PROCESSING        |
| 13     | ATM NETWORK PROCESSING        |
| 14     | STOP PAY FEE PROCESSING       |
| 15     | PHONE OPERATOR TRANS          |
| 16     | DEBIT CARD PROCESSING         |
| 20     | CU*EASYPAY! PROCESSING        |
| 22     | CREDIT CARD PROCESSING        |
| 96     | AUDIO RESPONSE PROCESSING     |
| 99     | AUTOMATIC SYSTEM PROCESSING   |

For the following Origin codes, only the Trans Code/ Trans Types documented below are counted for qualification:

| Qualified Dividends - Origin Code Restrictions |     |            |        |            |                      |
|--|-----|------------|--------|------------|----------------------|
| Origin   |     | Trans Code |        | Trans Type |                      |
| 11   | ACH | 12         | SH DEP | 18         | Deposit ACH          |
| 11   | ACH | 12         | SH DEP | 20         | Deposit BCA          |
| 11   | ACH | 13         | SH W/D | 58         | Withdraw ACH         |
| 11   | ACH | 22         | LN PMT | 20         | Pmt ACH Transfer     |
| 11   | ACH | 32         | SD DEP | 18         | Deposit ACH          |
| 11   | ACH | 32         | SD DEP | 20         | Deposit BCA          |
| 11   | ACH | 33         | SD W/D | 32         | Withdraw draft       |
| 11   | ACH | 33         | SD W/D | 58         | Withdraw ACH         |
| 11   | ACH | 42         | CD DEP | 18         | Deposit ACH          |
| 11   | ACH | 42         | CD DEP | 20         | Deposit ACH Transfer |

| Origin |       | Trans Code |         | Trans Type |                             |
|--------|-------|------------|---------|------------|-----------------------------|
| 11     | ACH   | 52         | OC PMT  | 20         | Pmt ACH Transfer            |
| 11     | ACH   | 62         | TX DEP  | 20         | Deposit ACH                 |
| 11     | ACH   | 72         | IRA DEP | 18         | Deposit ACH                 |
| 11     | ACH   | 72         | IRA DEP | 20         | Deposit BCA                 |
| 11     | ACH   | 73         | IRA W/D | 58         | Withdraw ACH                |
| 13     | ATM   | 12         | SH DEP  | 19         | Deposit, ATM Network        |
| 13     | ATM   | 12         | SH DEP  | 41         | Withdraw Account Transfer   |
| 13     | ATM   | 13         | SH W/D  | 21         | Deposit Account Transfer    |
| 13     | ATM   | 13         | SH W/D  | 57         | Withdraw, ATM Network       |
| 13     | ATM   | 22         | LN PMT  | 17         | Payment ATM                 |
| 13     | ATM   | 32         | SD DEP  | 19         | Deposit ATM Network         |
| 13     | ATM   | 32         | SD DEP  | 21         | Deposit ATM Acct. Transfer  |
| 13     | ATM   | 33         | SD W/D  | 41         | Withdraw ATM Acct, Transfer |
| 13     | ATM   | 33         | SD W/D  | 57         | Withdraw ATM Network        |
| 13     | ATM   | 52         | OC PMT  | 17         | Payment ATM                 |
| 13     | ATM   | 53         | OC DBT  | 57         | Disbursement ATM            |
| 16     | DEBIT | 12         | SH DEP  | 19         | Deposit ATM                 |
| 16     | DEBIT | 13         | SH W/D  | 57         | Withdraw ATM                |
| 16     | DEBIT | 32         | SD DEP  | 19         | Deposit ATM Network         |
| 16     | DEBIT | 33         | SD W/D  | 57         | Withdraw ATM Network        |
| 22     | CC    | 52         | PMT     | 2          | Payment                     |
| 22     | CC    | 53         | DISB    | 57         | Disbursement                |

### Note on Origin Code 13

If you select **origin code 13**, ATM payment transactions, additional fields appear on the top right of the screen, allowing you to specify whether to count PIN based Point-of-Sale transactions, PIN-based ATM or both. How this is calculated will depend on how your vendor processes your transactions. Check your transaction record if you are unsure.

For origin 13, include ☐ Pin-based POS  
☐ Pin-based ATM  
☐ Both

*CU\*TIP: How a transaction is counted is based on the first three letters of the transaction description: **ATM** or **POS**.*

## Note on Origin Code 20

If you select origin code 20, CU\*Easy Pay Processing, please note that this origin code is used by for **It's Me 247** Bill Pay (iPay), **It's Me 247** Bill Pay (Payveris), and **It's Me 247** Person to Person (P2P) (Payveris). **It's Me 247** Bill Pay (Fiserv) comes in as either ACH (Origin code 11) or Drafts (Origin code 02), so it cannot be used for conditions by origin code.

## USING QUALIFIED DIVIDENDS FOR ATM USAGE REBATES (ATM SURCHARGE OR ATM SERVICE CHARGE) OR CARD ACTIVITY REBATES (CAR)

For more information refer to these booklets:

- *ATM Surcharge and Service Charge Rebates*
- *Card Activity Rebates (CAR)*

Once the rebate programs are configured, they are then added to the Dividend Information tab as shown here.

Qualified Dividends can be used as a determinant for members to receive rebates on fees charge to use external ATMs (surcharge rebates), rebates on fees you charge to use your ATMs (service rebates) or reward rebates for card usage (card activity rebates (CAR)). These types of rebates first require you to configure program or routine to set the way your rebate will work (such as maximum rebate amount or percentage, in the case of the card activity rebate).

You can offer one, two or all three of these rebates. One is not dependent on the other. They are just configured in the same area of the screen. After the program or routine is configured, you

select it on the second tab (Dividend Information) of the Dividend Application configuration.

After you select the configured rebate on the second tab of the Dividend Application, the selection will appear on the Qualified Dividends screen that allows you to only rebate members who Qualify for the higher rate.

You select who gets the rebate here.

Session 0 CU\*BASE GOLD Edition - ABC CREDIT UNION  
File Edit Tools Help

### Configure Conditions for Qualified Dividends Update

Dividend application **BUSINESS CHECKING**

Transaction description if not qualified  (Leave blank if you do not want to generate a \$0 transaction)

☐ Allow members to see current status via online banking ☐ Select savings divapl to link ☐

Apply ATM Network surcharge rebates to ☐ No members selected ☐ All members with this account ☒ Qualified members only

Apply CU ATM service charge rebates to ☐ No members selected ☐ All members with this account ☒ Qualified members only

Apply CU Card Activity rebates to ☐ No members selected ☐ All members with this account ☒ Qualified members only

#### Miscellaneous Conditions

☐ Require e-statement enrollment ☐ Minimum audio response calls

☐ Require bill pay enrollment ☐ Minimum online banking logins

*Members cannot monitor their attainment of these types of Qualified Dividend rebates. They just receive a rebate transaction for each on their statement.*



## SAMPLES OF QUALIFIED DIVIDENDS PROGRAMS (IN RATE INQUIRY)

Dividend applications with a Qualified Rate will look slightly different in Rate Inquiry since there will be a non-qualified rate followed by the Qualified Rate. See the example below:

### Rate Inquiry of Dividend with a Qualified Rate

The first line here indicates the interest the member will receive if they are not qualified. The following "Split Level" lines indicate the interest the member will receive for each segment of their balance, assuming they qualify for dividends at all.

Session 1 CU\*BASE GOLD Edition - Share Account Dividend Rate

Corp ID 01 ABC CREDIT UNION  
 Share dividend type BU BUSINESS CHECKING  
 Next pay date Nov 01, 2013  
 Daily calculation type Average Daily  
☒ Plateau

| Dividend Level | Balance Range |              | Rate | APY Range |      |
|----------------|---------------|--------------|------|-----------|------|
|                | Low           | High         |      | Low       | High |
| Non-Qualified  | 0.00          | 9,999,999.99 | 0.10 | 0.10      | 0.10 |
| Split Level 1  | 0.00          | 25,000.00    | 3.07 | 3.11      | 3.11 |
| Split Level 2  | 25,000.01     | 9,999,999.99 | 0.50 | 3.11      | 0.51 |
| Split Level 3  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 4  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 5  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 6  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |

Skip

← → ↑ || ⌂ 🔗 ⓘ ? @ FR (414)

The first line is always the non-qualified rate, meaning what the member would be paid if they fail any of your conditions. This can even be a rate of 0% if you wish. Subsequent "Split Levels" indicate the interest at different balance amounts.

In the example above, a qualifying member would receive a rate of 3.07% on the first \$25,000 of his or her balance\* if he or she qualified for the rate, and then 0.50% on any balance above \$25,000. If the member did not qualify for the Qualified Dividend rate, he or she would receive a rate of 0.10% on the entire balance.

You might also create a split rate where members earn a qualified rate on a lower balance and then no interest on a higher amount. Or you might create a low interest rate for the entire balance if the member is qualified.

*\*Remember that in this context, the "balance" used to determine which rate to use is the member's calculated Average Daily Balance (ADB) at the end of the period. Nothing is done with these rates on a daily basis, only at the end of the month using the ADB for that month (remember that QD products must use a monthly payment frequency, too).*

Below are some other samples showing typical configurations. For instructions on how to set up your rate structure, see Page 19.

### Sample Configuration B

Session 0 CU\*BASE GOLD Edition - Share Account Dividend Rate

Corp ID 01 ABC CREDIT UNION  
 Share dividend type BU BUSINESS CHECKING  
 Next pay date Nov 01, 2013  
 Daily calculation type Average Daily  
☒ Plateau

| Dividend Level | Balance Range |              | Rate | APY Range |      |
|----------------|---------------|--------------|------|-----------|------|
|                | Low           | High         |      | Low       | High |
| Non-Qualified  | 0.00          | 9,999,999.99 | 0.00 | 0.00      | 0.00 |
| Split Level 1  | 0.00          | 2,000.00     | 4.78 | 4.89      | 4.89 |
| Split Level 2  | 2,000.01      | 9,999,999.99 | 0.00 | 4.89      | 0.00 |
| Split Level 3  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 4  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 5  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 6  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |

Skip

← → ↑ || ⌂ 🔗 ⓘ ? @ FR (414)

With this configuration, members who qualify would receive 4.78% on their first \$2,000 and no interest on any greater amount.

### Sample Configuration C

Session 0 CU\*BASE GOLD Edition - Share Account Dividend Rate

Corp ID 01 ABC CREDIT UNION  
 Share dividend type BU BUSINESS CHECKING  
 Next pay date Nov 01, 2013  
 Daily calculation type Average Daily  
☒ Plateau

| Dividend Level | Balance Range |              | Rate | APY Range |      |
|----------------|---------------|--------------|------|-----------|------|
|                | Low           | High         |      | Low       | High |
| Non-Qualified  | 1.00          | 9,999,999.99 | 0.10 | 0.10      | 0.10 |
| Split Level 1  | 0.00          | 9,999,999.99 | 1.98 | 2.00      | 2.00 |
| Split Level 2  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 3  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 4  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 5  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |
| Split Level 6  | 0.00          | 0.00         | 0.00 | 0.00      | 0.00 |

Skip

← → ↑ || ⌂ 🔗 ⓘ ? @ FR (414)

With this configuration, members who qualify would receive 1.98% on their entire balance over the first dollar and .10 if they did not qualify.

## CONFIGURING TIERED RATES FOR QUALIFIED DIVIDENDS

To create a split rate product, use the Rate Maintenance screen (**Tool #506 Member Rate Maintenance**), selecting *Share Rate Update* to access your savings and checking account products.

### Member Rate Maintenance (Tool #506)

Session 1 CU\*BASE GOLD - ABC CREDIT UNION

File Edit Tools Help

#### Savings/Checking Rate Maintenance

Corporate ID 01 ABC CREDIT UNION

| Current Share Dividend Types |             |               |     |                   |            |      |                             |          |                           |
|------------------------------|-------------|---------------|-----|-------------------|------------|------|-----------------------------|----------|---------------------------|
| DV AP                        | Description | Next Pay Date | OLB | Current Base Rate | Split Rate | APY  | Current Rate Effective Date | New Rate | Effective Date [MMDDYYYY] |
| BC BC                        |             | Jul 01, 2019  | 00  | 0.06              |            | 0.06 | Aug 07, 2019                |          |                           |
| BE BE                        |             | Jul 01, 2019  | 00  | 1.00              |            | 1.00 | Sep 30, 2019                |          |                           |
| BS BE                        |             | Jul 01, 2019  | 00  | 0.11              |            | 0.11 | Sep 07, 2019                |          |                           |
| BU BC                        |             | Jul 01, 2019  | 19  | 0.00              |            | 0.00 |                             |          |                           |
| BW BW                        |             | Jul 01, 2019  | 00  | 1.04              |            | 1.05 | Sep 10, 2019                |          |                           |
| CC CHRISTMAS CLUB            |             | Jul 01, 2019  | 05  | 0.03              |            | 0.03 | Oct 10, 2019                |          |                           |
| CK CHECKING                  |             | Jul 01, 2019  | 00  | 0.00              |            | 0.00 | Sep 05, 2019                |          |                           |
| EC ESCROW                    |             | Jul 01, 2019  | 12  | 0.10              |            | 0.10 | Aug 31, 2019                |          |                           |

If you wish to offer a rate for members who do not qualify for the Qualified Rate (your “base” rate), you will enter those percentages here. To create a split rate, select the icon in the column for the product to access the Dividend Rate screen:

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

File Edit Tools Help

#### Savings/Checking Rate Maintenance

Corporate ID 01 ABC CREDIT UNION

Share dividend type SE CHECKING

Next pay date Jul 01, 2019

Calc type S ☐ Plateau

| Dividend Lvl | Balance Range |                | Current Rate | APY  | Change Date  | New Rate | Effective Date [MMDDYYYY] |
|--------------|---------------|----------------|--------------|------|--------------|----------|---------------------------|
|              | Minimum       | Maximum        |              |      |              |          |                           |
| 0            | 0.00          | 999,999,999.99 | 0.05         | 0.05 | Sep 01, 2019 | 0.00     |                           |
| 1            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 2            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 3            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 4            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 5            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 6            | 0.00          | 0.00           |              |      |              | 0.00     |                           |

Save/Update

Skip

Unlock Balance Ranges

← → ↑ || 🔗 ⓘ ? @

To add rates for members who do qualify, first use *Unlock Balance Ranges* (F14) and enter the balance ranges, then enter the new rates, and effective dates:

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

File Edit Tools Help

### Savings/Checking Rate Maintenance

Corporate ID 01 ABC CREDIT UNION  
 Share dividend type SE CHECKING  
 Next pay date Jul 01, 2019  
 Calc type S ☐ Plateau

| Dividend Lvl | Balance Range |                | Current Rate | APY  | Change Date  | New Rate | Effective Date [MMDDYYYY] |
|--------------|---------------|----------------|--------------|------|--------------|----------|---------------------------|
|              | Minimum       | Maximum        |              |      |              |          |                           |
| 0            | 0.00          | 15,000.00      | 0.05         | 0.05 | Sep 01, 2019 | 0.05     | Nov 01, 2019              |
| 1            | 15,000.01     | 25,000.00      | 0.00         | 0.00 |              | 0.06     | Nov 01, 2019              |
| 2            | 25,000.01     | 999,999,999.99 | 0.00         | 0.00 |              | 0.07     | Nov 01, 2019              |
| 3            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 4            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 5            | 0.00          | 0.00           |              |      |              | 0.00     |                           |
| 6            | 0.00          | 0.00           |              |      |              | 0.00     |                           |

Save/Update  
 Skip  
 Unlock Balance Ranges

← → ↑ || 🖨 🔗 ⓘ ? @

Use *Save/Update* to save. A message prompt will appear so that you may check your work. Select *Add/Update* on this screen to complete the change and return to the initial screen.

Session 1 CU\*BASE GOLD - Rate Change Confirmation

Changes were made to 3 of the balance range amounts.  
 New rates and effective dates were entered on 2 of the split levels for this product.

Add/Update

← → ↑ || 🖨 🔗 ⓘ ? @

FR (6863)

[I set up a product using Qualified Dividends, and it is not showing up in online banking. Why might that be the case?](#)

# CONFIGURING QUALIFIED DIVIDEND PRODUCTS TO SHOW IN ONLINE BANKING

As mentioned on Page 23, Qualified Dividend products can be configured so that they can be sold online. This configuration is accessed from the Rate Maintenance screen.

## Member Rate Maintenance (Tool #506)

Session 1 CU\*BASE GOLD - ABC CREDIT UNION

File Edit Tools Help

### Savings/Checking Rate Maintenance

Corporate ID 01 ABC CREDIT UNION

| DV AP               | Description | Next Pay Date | OLB | Current Base Rate | Split Rate | APY  | Current Rate Effective Date | New Rate | Effective Date [MMDDYYYY] |
|---------------------|-------------|---------------|-----|-------------------|------------|------|-----------------------------|----------|---------------------------|
| BC BC               |             | Jul 01, 2019  | 00  | 0.06              |            | 0.06 | Aug 07, 2019                |          |                           |
| BE BE               |             | Jul 01, 2019  | 00  | 1.00              |            | 1.00 | Sep 30, 2019                |          |                           |
| BS BE               |             | Jul 01, 2019  | 00  | 0.11              |            | 0.11 | Sep 07, 2019                |          |                           |
| BU BC               |             | Jul 01, 2019  | 19  | 0.00              |            | 0.00 |                             |          |                           |
| BW BW               |             | Jul 01, 2019  | 00  | 1.04              |            | 1.05 | Sep 10, 2019                |          |                           |
| CC CHRISTMAS CLUB   |             | Jul 01, 2019  | 05  | 0.03              |            | 0.03 | Oct 10, 2019                |          |                           |
| CK CHECKING         |             | Jul 01, 2019  | 00  | 0.00              |            | 0.00 | Sep 05, 2019                |          |                           |
| EC ESCROW           |             | Jul 01, 2019  | 12  | 0.10              |            | 0.10 | Aug 31, 2019                |          |                           |
| ED COVERDELL SHARES |             | Jul 01, 2019  | 00  | 0.20              |            | 0.20 | Aug 22, 2019                |          |                           |

In order for you to add a product to your online rate board, you first must enter a sequence number in the OLB column on the screen shown above. This number is used to determine the order that the product will display in online banking. Then select the edit icon (pencil) to move to the screen below.

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

File Edit Tools Help

### Online Banking Defaults

Dividend application BU  
Application BU  
Corp ID 01 ABC CREDIT UNION  
Description BC

Display sequence 19

Availability ☒ Info only ☐ Purchase

Description BUSINESS CHECKING

Minimum opening deposit 500.00 (Blank = no deposit required)

☐ Allow overdraft protection

Number of accounts 1 (four maximum)

Dividend applications BU ☐ ☐ ☐

Loan categories ☐ ☐ ☐

Member Sales Info

← → ↑ || 🖨 🔗 ⓘ ? @

At this point use *Member Sales Info* to move to the screen below.

The screenshot shows the 'Member Sales Information' screen in CU\*BASE GOLD Edition. The title bar indicates 'Session 1 CU\*BASE GOLD Edition - ABC CREDIT UNION'. The screen has a blue header with the title and a 'CHANGE' button. Below the header, there is a text area for entering online banking sales information. The 'Product Type' is set to 'BU BC'. A text box for an optional URL is present, followed by a checkbox for 'Open new window for link'. A large text area for comments is shown, with a sample text: 'Here is where you can explain the requirements for the Qualified rate versus the base rate. This test is what the member will see online.' To the right of the comments area is an information box with a tip: 'When you add or remove characters, it might cause fragmented lines of text. Place the cursor at the end of the shortened line and press the Delete key to remove the line break and clean up the paragraphs as needed.' Below the comments area is a 'Save Changes' button with up and down arrows. At the bottom, there is a 'MESSAGE TIP' box stating: 'If you insert text or copy and paste text that exceeds the space provided, a pop-up window will appear. Select Yes to retain text you have written or pasted, but be careful, this may delete following text. Select No to cancel a paste. WARNING: Never check the "Remember my decision" checkbox on this pop-up window.' The bottom of the screen features a 'Talking Points' section with a 'Copy Text' button and a navigation bar with icons for back, forward, up, down, print, link, info, help, and search.

Enter your description of the product, including the requirements to receive the qualified rate versus the base rate. The member will see this text in online banking when they click the **More Info** button. ***For an example of what the member will see, refer to Page 23.***

Then return to the online banking configuration screen and configure the settings to use for purchase (or viewing) this product.

The screenshot shows the 'Share Account Setup' screen in CU\*BASE GOLD Edition. The title bar indicates 'Session 0 CU\*BASE GOLD Edition - ABC TESTING CREDIT UNION'. The screen has a blue header with the title. Below the header, there are several fields for account setup: 'Dividend application' (BU), 'Application' (BU), 'Corp ID' (01 ABC TESTING CREDIT UNION), and 'Description' (BUSINESS CHECKING). The 'Display sequence' is set to 02. The 'Availability' section has radio buttons for 'Info only' and 'Purchase' (selected). The 'Description' field is set to 'BUSINESS CHECKING'. The 'Minimum opening deposit' is set to '500.00' (Blank = no deposit required). There is a checkbox for 'Allow overdraft protection' which is checked. The 'Number of accounts' is set to '1' (four maximum). The 'Dividend applications' section has a dropdown menu set to 'BU' and three empty checkboxes. The 'Loan categories' section has three empty checkboxes.

Refer to the CU\*BASE online help for assistance with the fields on this screen.

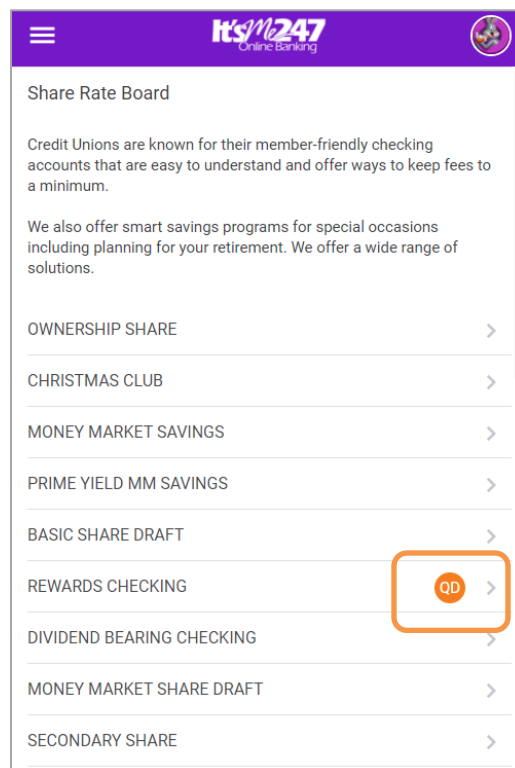
---

# MEMBER-FACING SIDE OF QUALIFIED DIVIDENDS

Your Qualified Dividend configuration determines where your members will see reference of these product. Additionally, members will see them referenced on their statements.

## OFFERING QUALIFIED DIVIDEND PRODUCTS ON YOUR ONLINE RATE BOARD

Qualified Dividend products are shown differently on the **It's Me 247** online banking rate board. When your member goes to the rate board to open a qualified dividend account online, they will view the "QD" indicator.



In the detail, you can indicate the tiered rate for your Qualified Dividend. Use **Tool #506 Member Rate Maintenance** to display these accounts for purchase in online banking. ***Be sure to add updated Sales Information your member sees to explain what they need to do to qualify for the higher rate. Refer to Page 21 for more information.***

[I set up a product using Qualified Dividends, and it is not showing up in online banking. Why might that be the case?](#)

## MEMBERS CAN TRACK PROGRESS TO QUALIFY FOR HIGHER DIVIDEND RATE

Credit unions who offer Qualified dividends using the CU\*BASE configuration can provide status updates to members via **It's Me 247**. Members then log in and see live, real-time updates showing how their monthly activity is tracking towards the requirements for the higher rate.

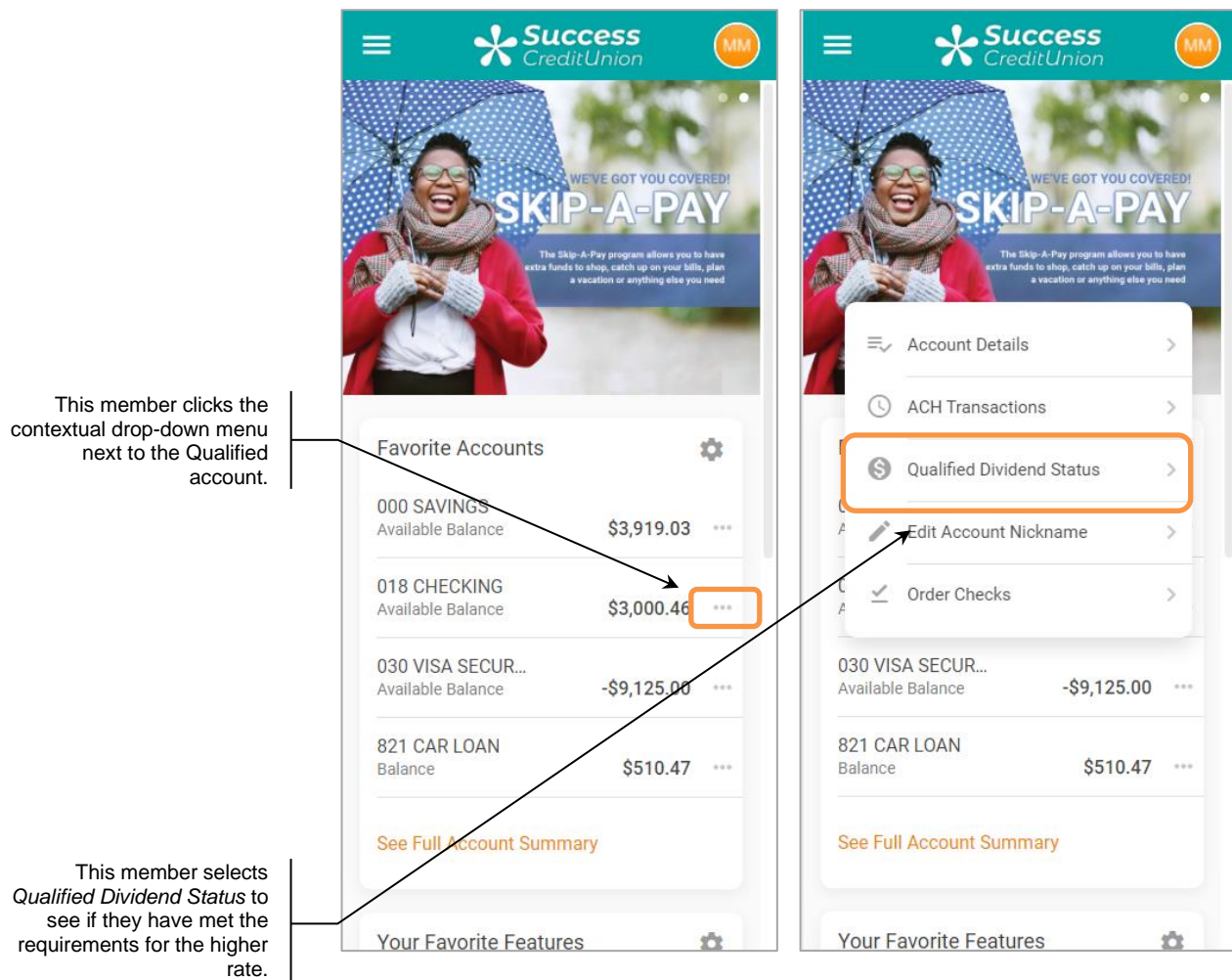
- It is important to note that these updates are real time. If a member uses their debit card, this will be reflected the next time they log into online banking.

Activate this feature by checking the *Allow members to see current status via online banking* box in the configuration screen. Refer to Page 8.

Then you must grant them access points to the status update feature. Follow is an example of an option you might configure in ItsMe247 Manager. Other options and wording are available.

For more information contact the Internet Retailer Support Center at [irsc@cuanswers.com](mailto:irsc@cuanswers.com). To purchase ItsMe247 Manager go to the CU\*Answers store at <https://store.cuanswers.com/store/irsc/cupublisher-self-service/>

### Contextual Menu Method for Member to Access the Qualified Status





Other ways that you can grant access to the status screen include adding it in a Mega Menu or other parts of your navigation. These are also configured using ItsMe247 Manager.

Once the member selects an access point, they will advance to the *Qualified Dividend Status* module.

This member shown below has not yet qualified for the higher rate. The conditions that are met appear checked. Conditions without a check still need to be met. For example, here the member is not enrolled in bill pay, which is a required condition.

#### Member Has Not Yet Qualified for Rate

Qualified Dividend Status

Make sure you are earning the best rate! Check below to see what you need to do to qualify for the highest possible APY on your Qualified Dividends accounts.

**004 - REWARDS CHECKING**

! Sorry, you haven't qualified yet for a higher APY.

Current Monthly Requirements as of 11/24/2021:

- ☒ eStatement enrollment
- ☐ Bill pay enrollment
- ☐ You currently have 10 Debit Card Transactions (minimum of 12 required)
- ☒ You currently have \$1,000.00 Direct Deposits (minimum of \$100.00 required)

[How to Qualify for a Higher APY](#)

Page will timeout in 14:42

- Because this credit union is selling the Qualified Dividend product on its rate board, the member also sees the “How to qualify for higher APY” button. If the member clicks this button, they are taken to the sales text for this product which outlines in full detail the requirements. If the credit union did not offer the product on the rate board, this “How to qualify...” button would be absent.

The member shown above has checks in all boxes mean that they have met all of the requirements. The congratulatory text appears at the top of the listing letting the member know they have qualified for the higher rate.

The member shown below has checks in all boxes mean that they have met all of the requirements. The congratulatory text appears at the top of the listing letting the member know they have qualified for the higher rate.

#### Member Who Qualifies for Rate

Qualified Dividend Status

Make sure you are earning the best rate! Check below to see what you need to do to qualify for the highest possible APY on your Qualified Dividends accounts.

**004 - REWARDS CHECKING**

Congratulations, you qualified for a higher APY!

Current Monthly Requirements as of 11/24/2021:

- eStatement enrollment
- Bill pay enrollment
- You currently have 12 Debit Card Transactions (minimum of 12 required)
- You currently have \$100.00 Direct Deposits (minimum of \$100.00 required)

[How to Qualify for a Higher APY](#)

Page will timeout in 14:44

## QUALIFIED DIVIDEND INFORMATION ON STATEMENTS

Below are a few details about what members will see on their statements and eStatements.

- Accounts that are included in Qualified Dividend rate programs will not display any rates. This is to avoid displaying rates that may not apply to every account, based on the specialized rate structure used by these products.
- For members who don't qualify during any particular period, you can choose to generate a zero dollar transaction record with a description such as "DIVIDENDS FORFEITED" showing the amount of dividends that *would* have been paid to the member if they had qualified. Members will see this on their statement and encourage them to increase their participation during the next dividend period. This will also appear in the member's transaction record.

# QUALIFIED DIVIDENDS SCORING REPORTS

You can run a simulation scoring of your projected dividends during the month by running the Simulated Qualified Dividends Report. This allows you to view at different times of the month members who have qualified dividends but fail to qualify, along with each reason that the member is disqualified. You can also use this report to help you project the number of members who will not qualify at the end of the month, or to help members determine if they have satisfied the qualifying requirements.

NOTE: Data for Qualified Dividends can be found in FILExxE.

## ON DEMAND

### Qualified Dividends Scoring Simulation (Tool #707)

Use this report to view why members are not qualifying for the special qualified dividend. A listing of members, with each reason that they were disqualified will print on demand.

Select to print all disqualified members for a given month. Or select a specific dividend application to view members who not qualify for it, or a specific member to see why he or she was disqualified. The resulting Qualified Dividend Scoring Report “Simulation” will print.

- Check *Export detail to file* to create a listing of members who have not qualified for use with Member Connect.

The information on this report is broken down by Dividend Application. Only Dividend Applications with configured Qualified Dividends will appear on this report.

|  |           |                                   |                          |              |           |               |               |  |
|--|-----------|-----------------------------------|--------------------------|--------------|-----------|---------------|---------------|--|
| 2/21/17 15:56.25                               |           | CU*BASE TEST CREDIT UNION         |                          |              | PQDPRT    |               | PAGE 1        |  |
| RUN ON 2/09/09                                 |           | QUALIFIED DIVIDEND SCORING REPORT |                          |              |           |               | USER SAMANTHA |  |
| **SIMULATION**                                 |           |                                   |                          |              |           |               |               |  |
| MEMBERS NOT MEETING QUALIFICATION REQUIREMENTS |           |                                   |                          |              |           |               |               |  |
| DIVAPL   | ACCOUNT   | MEMBER NAME                       | REASON/S NOT QUALIFIED   | COUNT NEEDED | COUNT MET | AMOUNT NEEDED | AMOUNT MET    |  |
| DIVIDEND APPLICATION: SD SHARE DRAFT           |           |                                   |                          |              |           |               |               |  |
| SD   | 6000-070  | MARY MEMBER                       | ATM TRANSACTIONS 13 & 16 | 15           | 8         | .00           | .00           |  |
| SD   | 12000-070 | JOHN MEMBER                       | ATM TRANSACTIONS 13 & 16 | 15           | 3         | .00           | .00           |  |
| E-STATEMENT ENROLLMENT                         |           |                                   |                          |              |           |               |               |  |
| **   | 3,666     | TOTAL ACCOUNTS NOT QUALIFIED      |                          |              |           |               |               |  |

## CU\*SPY (SHARE ACCOUNT ACTIVITY)

When the dividends are posted a final version of this report entitled "Posting Qualified Dividends Report" is sent to CU\*Spy in the Share Account Activity Category. As with the simulated report, this reports name is Qualified Dividend Scoring Report (PQDPRT). Its title will include the word "Posting" to differentiate it from the On Demand report mentioned previously. Use this report to explain to members why they failed to qualify for the special rate or to analyze your offering. Perhaps more marketing is needed to encourage members to take action to qualify the next month, such as using their debit card more.

|  |           |                                   |                          |                 |              |                  |               |               |  |
|--|-----------|-----------------------------------|--------------------------|-----------------|--------------|------------------|---------------|---------------|--|
| 2/21/17 15:56.25                               |           | CU*BASE TEST CREDIT UNION         |                          |                 |              | PQDPRT           |               | PAGE 1        |  |
| RUN ON 2/09/09                                 |           | QUALIFIED DIVIDEND SCORING REPORT |                          |                 |              |                  |               | USER SAMANTHA |  |
|  |           | **POSTING**                       |                          |                 |              |                  |               |               |  |
| MEMBERS NOT MEETING QUALIFICATION REQUIREMENTS |           |                                   |                          |                 |              |                  |               |               |  |
| DIVAPL   | ACCOUNT   | MEMBER NAME                       | REASON/S NOT QUALIFIED   | COUNT<br>NEEDED | COUNT<br>MET | AMOUNT<br>NEEDED | AMOUNT<br>MET |               |  |
| DIVIDEND APPLICATION: SD SHARE DRAFT           |           |                                   |                          |                 |              |                  |               |               |  |
| SD   | 6000-070  | MARY MEMBER                       | ATM TRANSACTIONS 13 & 16 | 15              | 8            | .00              | .00           |               |  |
| SD   | 12000-070 | JOHN MEMBER                       | ATM TRANSACTIONS 13 & 16 | 15              | 11           | .00              | .00           |               |  |
| SD   | 19000-070 | FRED MEMBER                       | ATM TRANSACTIONS 13 & 16 | 15              | 3            | .00              | .00           |               |  |
| SD   | 22000-070 | MARY AMEMBER                      | ATM TRANSACTIONS 13 & 16 | 15              | 12           | .00              | .00           |               |  |
| SD   | 22001-070 | JOHN TESTPERSON                   | ATM TRANSACTIONS 13 & 16 | 15              | 10           | .00              | .00           |               |  |
|  |           |                                   |                          |                 |              |                  |               |               |  |
| **   | 3,666     | TOTAL ACCOUNTS NOT QUALIFIED      |                          |                 |              |                  |               |               |  |

---

# FINAL SCORING AND POSTING OF DIVIDENDS

At End-of-Month, members are scored to see if they qualify for the qualified dividend rate. For each DivApl where the Qualified Dividend Processing is set to "A," the members' account is reviewed to see if the member qualifies. This scoring is processed based on reviewing transaction history files, as well as other files recording things like e-Statement enrollment or online/audio banking usage. At this time, the final "Post" version of the simulation report is archived in CU\*Spy recording that the member did not qualify, as well as listing all the disqualifying reasons.

When dividends are posted, generally either End-of-Month or Beginning-of-Month, the dividend posting program is run. If a member does not qualify for the qualified rate, the member receives the base rate on their full balance. The rate they would have received if they had qualified is calculated, and the system looks for a Transaction Description on the Qualified Rate screen. If one exists, a zero dollar transaction record is posted. Qualifying members are given the qualified rate based on the tier (if one exists).

When the posting is run, two files are sent to the QUERYxx file recording members who have qualified. Both files end with the Dividend Application Code (in this case this code is noted as xx).

- ♦ File **QDQxx** (where xx is the DIVAPL) includes the members who qualified.
- ♦ File **QDUxx** (where xx is the DIVAPL) contains those that did not.

Use these files with **Member Connect** or Label Generator to correspond with members about their results.