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# Tracking Savings Bond Redemption Activity with CU\*BASE

## INTRODUCTION

If your credit union offers savings bond redemption as a service to your members, the CU\*BASE Savings Bond Redemption tracking feature is for you. This tool lets you record the amount of the bond and the interest paid and the system will include that data on the member's 1099-INT form at tax time. In fact, this tool can even be used to redeem bonds for non-members, as the system will allow any Social Security Number to be entered, member or not.

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Revision date: March 19, 2017

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# PROCEDURE

Although the specific procedure may vary at each credit union, following is the typical sequence of events when a member (or non-member) wishes to redeem a savings bond:

1. The member presents the bond to a teller or designated member service representative. Using the calculation tables provided to the credit union by the government, the teller or MSR manually calculates the amount of interest earned on the bond, and the total amount being redeemed.
2. Using the “Print Miscellaneous CU Checks” command, the teller cuts a check for the total redemption amount, including interest, using a credit union-configured Misc. Expense Code or specific G/L account number.

*The Misc. Expense Code should represent the G/L account used to track interest to be received from the government for bonds redeemed.*

3. Using the **Savings Bond Redemption** (F12), found on the miscellaneous checks screen, the teller shifts to the Savings Bond Redemption screens and records the amount of the bond and the interest under the member’s (or non-member’s) Social Security number.

At year-end, CU\*BASE will automatically include this interest on the individual’s 1099-INT form, using the special box designated for Savings Bond Interest. If at any point a member wishes to review the total savings bond interest redeemed during the year, **Tax Inquiry** (F18) in Member Inquiry provides access to the Savings Bond YTD Inquiry (see Page 6 for details).

*For non-members, or for any corrections that need to be made, use **Tool #913 Update Savings Bond Information.***

The following pages describe using the Savings Bond Redemption feature to record bond redemption and interest amounts.

# RECORDING SAVINGS BOND REDEMPTION INFORMATION

This feature can be accessed by selecting **Tool #913 Update Savings Bond Information**.

## Update Savings Bond Information (Tool #913)

Use **YTD Inquiry** (F12) to see a list of all savings bond transactions for the current tax year. See the following pages for details.

Session 0 CU\*BASE GOLD - Savings Bond Redemption

Options	Response
Account #	<input type="text"/> (leave blank for non-members)
SSN	<input type="text"/>
Sequence #	<input type="text"/> Optional
<input type="checkbox"/> Previous year information	
Employee ID	92

**i** Maintaining a record from the previous year will affect inquiry only. The tax file must be updated for tax reporting.

**i** Leave sequence # blank for new bond redemption, select sequence # to correct/maintain previous redemption.

YTD Inquiry

FR (5138)

This is the first of two screens used to record the principal and interest amounts of a savings bond redemption, as well as to make modifications to bond redemption information recorded previously during the year. Depending on your credit union's policy, you may use this screen for members as well as non-members. All data is recorded under the individual's Social Security number for tax reporting purposes.

**NOTE:** CU\*BASE does not allow entry of a new record for the previous year. Maintaining a record from the previous year will affect inquiry only. The tax file must be updated for tax reporting.

Enter the individual's account number (leave the field blank for all non-members) and Social Security number. If you are modifying an existing transaction, enter the *Sequence Number* for the transaction to be edited, and specify whether or not it the transaction is for the previous year.

Verify your Employee ID, and then use Enter to proceed to the second screen (shown on Page 4). **If a new non-member SSN is entered, a "Non-Member Information" screen will appear first to allow you to enter the member's name and address into your credit union's non-member database.** After entering this data, use Enter to save the record and proceed.

*The Sequence Number is simply a sequential number (01, 02, 03, etc.) assigned to each transaction made throughout the year; if the member has redeemed three bonds and a change needs to be made to the second bond redeemed, enter "02" as the Sequence Number.*

Up to 99 individual bond redemption transactions can be recorded under each SSN for each tax year. If more than 99 transactions are required

throughout the year, it is recommended that multiple transactions be combined into one as needed.

Screen 2: Record New Redemption

Session 0 CU\*BASE GOLD - ABC CREDIT UNION

File Edit Tools Help

### Savings Bond Redemption

Account   
 Tax ID #   
 Date **Nov 25, 2015** Sequence # **01**

Principal paid	<input type="text" value="0.00"/>	YTD Principal	<b>0.00</b>
Interest paid	<input type="text" value="0.00"/>	YTD Interest	<b>0.00</b>
Total payout	<b>0.00</b>	YTD Payout	<b>0.00</b>

First name   
 Initial **C**  
 Last name   
 Address 2:   
 City   
 State **MI**  
 ZIP code

Post  
 YTD Inquiry  
 Delete

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

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Screen 2: Modify Existing Redemption Record

Session 0 CU\*BASE GOLD - ABC CREDIT UNION

File Edit Tools Help

### Savings Bond Redemption

Account   
 Tax ID #   
 Date **Nov 25, 2015** Sequence # **02**

Principal paid	<input type="text" value="0.00"/>	YTD Principal	<b>150.00</b>
Interest paid	<input type="text" value="0.00"/>	YTD Interest	<b>221.40</b>
Total payout	<b>0.00</b>	YTD Payout	<b>371.40</b>

First name   
 Initial **C**  
 Last name   
 Address   
 City   
 State **MI**  
 ZIP code

Post  
 YTD Inquiry  
 Delete

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

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The second redemption screen is used to record the amount of the bond as well as the interest earned. Notice that if a previous transaction is being

edited, the fields on the right side of the screen will show the amounts from that transaction only instead of the normal YTD amounts.

Start by entering the amount of the principal and interest paid to the member. Use Enter to calculate the total amount paid, and verify that this is the actual amount that was paid out to the member.

*NOTE: Name and address information shown here is pulled from either MASTER membership records or the Non-Member database. Changes cannot be made to address information on this screen. These databases are accessed via **Tool #15 Update Membership Information or Tool #997 Work With Non-Member Database.***

Remember that the interest amount must be manually calculated using the tables provided to your credit union by the government. CU\*BASE will not calculate the correct interest amount for you.

When the amounts are correct, use **Post** (F5) to record the changes and return to the previous screen.

#### Buttons

<i>Button</i>	<i>Description</i>
Post (F5)	Use this once all data is complete to record the redemption transaction and return to the previous screen.
YTD Inquiry (F12)	Use this to view a list of all bonds redeemed for the current and previous tax years. The screen shown on Page 6 will appear.
Delete (F16)	This is used to delete a bond redemption transaction that has already been recorded (if a Sequence Number was entered on the previous screen). It will also cancel a new redemption transaction before posting, and return to the previous screen.  <b>BE CAREFUL:</b> There is no confirmation for this procedure.

# SAVINGS BOND INQUIRY

The Savings Bond Inquiry screen can be accessed two ways:

- ◆ Use *YTD Inquiry* (F12) on the first Savings Bond Redemption screen (shown on Page 3), or
- ◆ While in Member Inquiry, use *Tax Inquiry* (F18), then *Savings Bonds* (F12).

"YTD Inquiry" (F12)

Use this to toggle between current year and previous year records.

Date	Seq #	Account #	Principal	Interest	Pay Out
Jan 07, 2013	01		1,500.00	3,214.80	4,714.80
			1,500.00	3,214.80	4,714.80

*i* Savings Bond Redemption information is recorded using the "Update Savings Bond Information" command on the "Update Functions" menu. This is an optional feature that some credit unions use to record tax information related to redeeming savings bonds.

Previous Year Bonds

This screen shows all of the savings bond redemption records for the selected SSN. (Depending on the method used to access this screen, you may need to enter a SSN and use Enter to view the records.)

# SAVINGS BOND REPORT

## Savings Bond Listing (Tool #776)

Use this screen to generate a report showing all savings bond records for either the current year (“C”) or previous year (“P”). Following is a sample portion of a current-year report. Non-member records will all show account number 999999.

Account	Social Sec#	Seq	Member's Name	Date Redmd	Principal	Interest	Total Payout
11/15/99 10:22.17			CU*BASE DEMONSTRATION CREDIT UNION SAVINGS BONDS LISTING			LBOND	Page 3 DAWNM
21928	111-11-1224	01	JOSEPH J JONES	1-08-1999	400.00	11.44	411.44
		02	JOSEPH J JONES	4-30-1999	150.00	2.52	152.52
		03	JOSEPH J JONES	5-03-1999	50.00	.56	50.56
		04	JOSEPH J JONES	7-30-1999	50.00	3.32	53.32
		05	JOSEPH J JONES	8-26-1999	50.00	.76	50.76
		06	JOSEPH J JONES	9-10-1999	100.00	1.32	101.32
		07	JOSEPH J JONES	10-07-1999	50.00	.56	50.56
					850.00 *	20.48 *	870.48
22021	222-22-0574	01	DEBORAH D DAVIDS	3-23-1999	25.00	3.74	28.74
22198	333-33-9464	01	ERIC E EVANS	7-02-1999	50.00	.96	50.96
22311	444-44-6985	01	RICHARD R RICKERS	10-01-1999	100.00	86.08	186.08
22389	555-55-0190	01	TINA T THOMAS	1-08-1999	650.00	25.28	675.28
		02	TINA T THOMAS	4-30-1999	200.00	3.80	203.80
		03	TINA T THOMAS	8-13-1999	100.00	1.72	101.72
		04	TINA T THOMAS	9-17-1999	50.00	.76	50.76
					1,000.00 *	31.56 *	1,031.56
22532	666-66-6310	01	SARA S SMITH	2-24-1999	50.00	39.10	89.10
23153	777-77-8466	01	MEGAN M MARKS	1-29-1999	50.00	.74	50.74
23276	888-88-5729	01	SAM S STEVENS	7-30-1999	100.00	1.52	101.52
23422	999-99-8753	01	WALTER W WILLIAMS	1-30-1999	68.75	126.39	195.14
		02	WALTER W WILLIAMS	2-02-1999	25.00	7.34	32.34
					93.75 *	133.73 *	227.48
24348	111-11-0478	01	JOSHUA J JOHNSON	10-21-1999	162.50	113.97	276.47
50484	222-22-4771	01	DAVID D DOUGLAS	10-21-1999	100.00	65.36	165.36
					Bond Redemption Totals -	29,562.50	20,901.57
							50,464.07

**NOTE:** For Query purposes, these records are stored in files SAVBND (current year) and SAVBNP (previous year).