Wire Transfers in CU*BASE

CU*BASE Tools for Posting and Tracking Incoming and Outgoing Wire Transactions

INTRODUCTION

For some credit unions, wire transfer activity accounts for a large percentage of Member Account Adjustments posted by your back office every day. The **CU*BASE Wire Transfers** system provides controls that will allow you to move at least a portion of these tasks from your back office and make them a Teller/MSR process for better efficiency and faster member service, with some helpful tracking tools.

Our goal with the CU*BASE Wire Transfer system is twofold:

- ♦ To allow front-line staff to take care of posting the wire and fee to the member's account—in a single step, without having to remember the appropriate G/L account numbers. This provides more efficient operation and means better internal controls for your auditors.
- ♦ To provide additional tracking tools to monitor the wire transfer activity and ensure that each wire is handled to completion promptly and efficiently. Today's environment of security and privacy awareness means your credit union needs a tool that can help you track the movement of funds to and from your institution.

Ideas for future enhancements: Like all CU*BASE tools, the Wire Transfer system is a work in progress. Your input as our credit union partner is important to allow us to enhance the tool to fit your needs. Some ideas that have already been put forward include the ability to determine which employees can handle outgoing versus incoming wires, the ability to use an incoming wire as a loan payment, and additional reporting capabilities. As you use the tool in your day-to-day operations, let us know what enhancements you would like to see!

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WHY USE CU*BASE WIRE TRACKING?

No doubt your credit union has procedures already in place to handle wire transfers, and the volume of wires you do will play a big part in how you choose to handle this activity. Some credit unions hold wires very close to the back office and have specific people assigned to handle every part of the transaction. Some want tellers to be able to post outgoing wires to take money out of the member's account, but have a specific procedure and paper trail to handle the actual wire itself.

Whatever your procedure, CU*BASE tools are flexible enough to be used any way your credit union wishes, whether to supplement or even to replace your existing procedures and paperwork.

☑ Use the Wire Posting feature instead of account adjustments just to post the wire and fee transaction, then proceed with your existing procedures. This allows member service and front-line staff to assist the member quickly, efficiently, and consistently. *(Using the full Wire Tracking feature is not required in order to post wire deposits/withdrawals and fees to member accounts.)*

☑ Use Wire Posting to post the wire deposit or withdrawal, while still filling out your normal paperwork. When the wire is complete, use the Tracking system simply as checklist to mark items as completed. This allows management to see at least the volume of wire activity your staff is processing.

☑ Use both the full Wire Posting and Wire Tracking tools to replace your existing paper trail, allowing for greater efficiency and a complete online record of wire activity and recipient information.

ACCOUNT ADJUSTMENTS VS. WIRE TRANSFERS

	Account Adjustment	*Wire Transfer*
Fee offset G/L configuration	**Yes***	**Yes**
Fee amount configuration	No	**Yes**
Automated posting of fee on wire transfer	No	**Yes**
Ability to control fee waivers	No	**Yes**
Record of waived fees	No	**Yes**
Record of wire recipient information	No	**Yes**
Control of offset G/L	**Yes***	**Yes**
Transaction receipt	**Yes**	**Yes**
Wire Activity Report	No**	**Yes**
Combine multiple wires in single post	**Yes**	No

*Via the Coded Account Adjustment system only.

***Except through full Account Adjustment Register report available via **Tool #493 Member Account Adjustments Report**. If filtered by Offset G/L, would show only transactions posted to the correct G/L account number.*

WIRE TRANSFERS: STEP BY STEP

Your credit union will start by configuring special codes that contain all of the accounting information needed to post the wire withdrawal/deposit and fee (see Page 5 for details).

Step 1: Post the Wire to Member

When a member requests a wire transfer, the teller or MSR uses the Post Wire Transfer feature (via Phone Operator, **Tool #73 *Post Wire Transfer to Member Account***, or shortcut **WIREP**) to post the withdrawal or deposit and the fee. As part of the process, the teller will also enter the institution and routing information needed to process the wire.

> The request is automatically queued up on the Wire Transfer Tracking system, stamped with the date and time of the request.

Step 2: Process the Wire / Mark Completed

A designated employee will use the wire tracking system (**Tool #981 *Wire Transfer Tracking***, or shortcut **WIRET**) to view outstanding wire requests and post the wire (using the Fedline terminal, etc.) according to normal procedures. After processing the wire, the employee marks the request as "complete" in the tracking system.

> The wire details remain stored in CU*BASE for later reference and to allow credit union leaders to analyze wire volumes and activity.

CONFIGURATION SETTINGS

CONFIGURING WIRE TRANSFER CODES

Misc. Posting Codes Configuration (Tool #534), Screen 1

On the initial screen, choose *Wire transfers* from the *Maintenance type* drop-down list. Press Enter to proceed to the second screen.

Screen 2

This screen lists all of the wire transfer codes already configured. To modify a code, select it in the list and use *Select* or Enter to proceed. To add a new code, use *Add New Code* (F10). The window shown below will appear.

Code Configuration

Use this window to configure how the wire should be posted to the member and the G/L when using the Post Wire Transfer feature (see Page 10). The same code is used for both incoming and outgoing wires, but different fee amounts can be defined. When done, use Enter to save and return to the previous screen.

> **CU*TIP:** *To help end-users know how to use this code properly, use **Procedures** (F22) to set up free-form text with instructions and tips. See Page 7 for details.*

If a code no longer is used, use **Suspend** (F4) to deactivate it. (An "S" will appear in the Status column on the previous screen.) This allows the code to remain in the file (to avoid problems with nightly processing in case it was used at some point during the day), but it can no longer be used to post wires. To reactivate, return to this screen and use *Reactivate* (F4).

Field Descriptions

Field Name	Description
Description	Enter a description for this posting code. This will be displayed when the employee chooses a posting code while posting a wire for the member.
Offset G/L account	Enter the general ledger account that should be used as the offset when posting the wire to the member account. (Should NOT be a member G/L account.)
Branch location	Enter the branch/location number to be used with the offset G/L account. Leave the field blank to use the member branch.
Default transaction description	Enter the transaction description that should be filled in when using this code. This can be changed at the time the wire transfer is posted, if needed.
Fee amounts	Enter the fee amounts to be used when posting both outgoing and incoming wires using this code. The fees can be the same or different, or you could leave either of them at $0.00 to charge no fee.

Field Name	Description
Fee G/L account	Use this field to enter the G/L account to which fee income should be posted. (This field is required even if no fee amount is entered.)
Fee transaction description	If fee amount(s) have been entered, use this to define the transaction description to be used when the fee is posted to the member's account. This cannot be changed when the wire transfer transaction is posted. (This field is required even if no fee amount is entered.)
Allow fee to be manually waived	If checked, the final Wire Transfer Posting screen will allow the fee amount to be changed or even deleted at the time the wire transfer is being posted. Leave this unchecked to force a fee to be posted every time._ Remember that fees that are manually modified or waived will appear on the *Fee Waiver Information Report* (available via **Tool #371 *Fee Waiver Information Report***), so you may choose to allow manual waivers, and then keep a close eye on them through the report and improve employee education as needed.

"Procedures" (F22)

Use this for any special instructions to be followed by a teller or MSR when posting the wire. These tips can be viewed when filling in the wire transfer information screen (see Page 12).

> Include instructions on how your credit union wishes to have the free-form text fields filled out by your front-line staff. For example, you might want to specify that the *Instructions* field be used to enter a contact name and phone number, or explain when to use Recipient Financial Institution fields versus Other Financial Institution, etc.
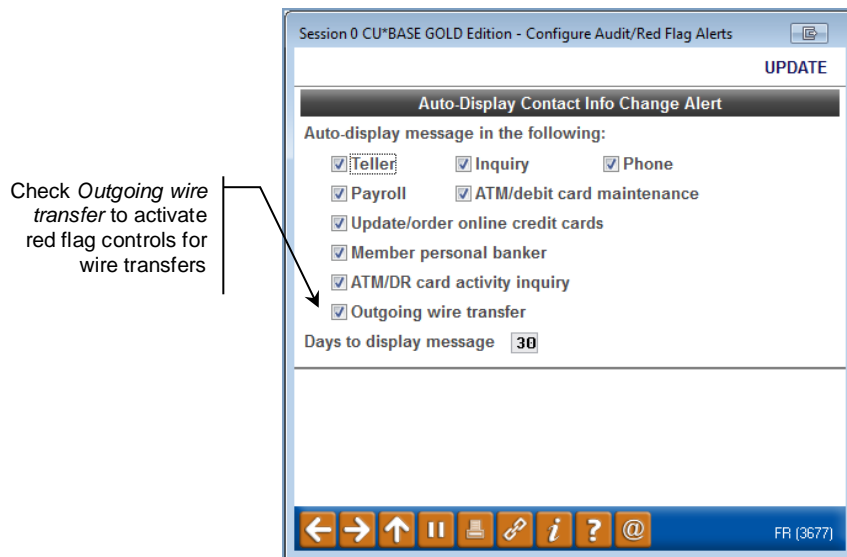
The URL link lets you link to a intranet or web page that has more information or instructions about wire transfers. You can use both a URL *and* text as you wish. When done, use *Save Changes*, then the backup arrow to return to the code configuration window.

CONFIGURING RED FLAG CONTROLS

Another configuration your credit union might consider activating is the red flag controls configuration for outgoing wire transfers. This feature provides the teller immediate feedback that a change has recently been made to the member's personal information within the last thirty days to provide an extra layer of security against fraudulent activity. This includes change to the members name, email address, home phone, or mailing address (Address 1, Address 2, city, state or zip code. Refer to the CU*BASE online help topic for more details. (Index keyword: Red)

Activate this feature for outgoing wire transfers in the Red Flag Control configuration by checking *Outgoing wire transfer*.
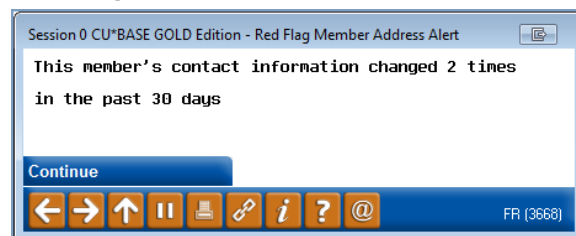
Red Flag Controls (Tool #750)

Check *Outgoing wire transfer* to activate red flag controls for wire transfers

Session 0 CU*BASE GOLD Edition - Configure Audit/Red Flag Alerts

UPDATE

Auto-Display Contact Info Change Alert

Auto-display message in the following:
- ☑ Teller ☑ Inquiry ☑ Phone
- ☑ Payroll ☑ ATM/debit card maintenance
- ☑ Update/order online credit cards
- ☑ Member personal banker
- ☑ ATM/DR card activity inquiry
- ☑ Outgoing wire transfer

Days to display message **30**

FR (3677)

- Refer to the CU*BASE online help for more assistance on using this feature. Click the "i" button while on this screen to access help.

Once activated, a red flag warning window will appear after the initial wire transfer screen when an outgoing wire is selected. See the next page (page 10) for a picture of this initial screen.

Red Flag Window

Session 0 CU*BASE GOLD Edition - Red Flag Member Address Alert

This member's contact information changed 2 times in the past 30 days

Continue

FR (3668)

At this point follow your credit union policies. Pressing Enter will advance you to the OFAC scan (if activated) and then the second wire transfer screen. See page 12 for a picture of the second wire transfer screen.

WIRE FRAUD BLOCK LIST SCAN

Access all the fraud block lists by selecting **Tool #892** *Update Fraud Alert/Blocked Persons List*. This will take you to the entry dashboard where you can see all the denial lists.

Fraud block list scans that are run against wire transfers include the Incoming Wire fraud block scan, the Outgoing Wire fraud block scan, the Pay to Name fraud block scan, and in the case of international outgoing wires, the Country fraud block list scan.

The Incoming and Outgoing fraud block scans are denial of service blocks. If an employee tries to post a wire and the member is on the list, they will see "SSN/TIN appears on block list," and will be blocked from completing the wire. This message appears on the first page after the post code is selected.

The Pay to Name and Country block scans are transaction attribute blocks. If a partial or full match of the Pay to Name or Country is found on the second screen, then the employee will see the Suspect Match window as shown on page 14.

- Learn more in online help Overview: Fraud Block Lists.

POSTING A WIRE TRANSFER AND FEE TO A MEMBER ACCOUNT

The wire posting system is designed to take care of posting both the wire withdrawal or deposit as well as any associated fee transaction, in a single step. Because your configured wire posting codes are used, there is no need for the member service staff to have to enter general ledger numbers or remember to post a separate fee transaction.

> ***Special Note Regarding Wires To/From Loan Accounts:*** *It is not possible to wire money directly out of a loan account. In this case, disburse the money to a savings account and wire the money out of this account. The wire posting system is also not set up to process loan payments. If a member receives an incoming wire intended to make a loan payment, post the wire to a savings account, and then use the normal journal transfer system to post the loan payment from the savings account.*

The Wire posting feature can be accessed several ways:

- ♦ Via the "Wire" action code in **Phone Operator**
- ♦ Via **Tool #73 *Post Wire Transfer to Member Account***
- ♦ Via shortcut **WIREP**

Screen 1

This is the first of three screens used to post a wire deposit/withdrawal and wire fee to a member account. Enter the account number and name ID (if coming from the Phone software, these fields already will be completed for you). You may use the last ten account look up to find your account if your access point is not Phone Operator.

Then enter the wire amount, choose incoming (deposit) or outgoing (withdrawal), and enter the appropriate posting code. Click the lookup button to see a list of your credit union's configured codes:
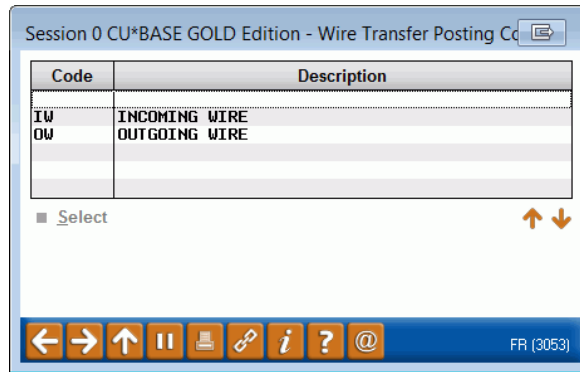
When ready, use Enter to continue to the next screen.

- After the post code is selected, the member is run against the fraud block scan, either the incoming wire fraud block scan or outgoing fraud block scan, according to the type of wire being posted. If the member is on the appropriate fraud block list, the employee will be will see messaging that the "SSN/TIN appears on block list" and will not be able to advance to the next screen. See page 9 for more information about fraud block scans.

If performing an outgoing wire, you will proceed to screen 2, where wire instructions can be entered.

- If your credit union has red flag controls activated, and a change has been made recently to the personal information of the member's account, you will first advance to the red flag warning message. *See page 8 for more details on red flag configuration and to see the warning message.*

- If funds are not available for an outgoing wire, you will see an error message before proceeding. Remember that you can use the CU*BASE Timeout window to perform a transaction override for frozen or secured funds without leaving the wire posting screen.

For an incoming wire you will go directly to the final screen where the wire deposit can be posted.

Screen 2

If Procedures were set up in the posting code configuration (see Page 5), use **Procedures** (F22) here to read the instructions while setting up the wire instructions.

Use this screen to enter instructions that will be stored and used to perform the actual wire. All of these fields are optional and can be filled in any way you wish according to credit union procedures.

If the address is an international address, click the International address checkbox to reveal the appropriate screens, as shown below.

Second Screen with International Address Fields Shown

If Foreign address is checked, the foreign address fields are shown.

Use Enter to proceed to the final screen.

If the wire transfer is an **outgoing** wire transfer, an OFAC scan will be run on the recipient Name (or organization) that the wire transfer is being transferred to, the recipient Financial Institution (if one is entered in the previous screen) and finally the second Financial Institution Name (if one is entered on the previous screen. After running the OFAC scans, CU*BASE moves to the following Screen 3.

- NOTE: OFAC scans are not run on wires sent to International addresses.

- The OFAC scan will be run *after* the Red Flag warning message is presented (if configured). Refer to Page 8 for more information on Red Flag warnings that alert tellers if information has been made to the member's personal information recently.

- The OFAC scan will do its best to determine if a person's name or an organizational name is entered in the field, but use *Organizational Account* (F9) to change the OFAC screen field arrangement if the wrong screen is selected. (The organizational OFAC screen has only one field, while the name OFAC screen has three, one each for first name, middle initial and last name.) The name OFAC screen is shown below:

OFAC Scan Screen

Once OFAC has been run, the verification screen is posted.

OFAC Verification
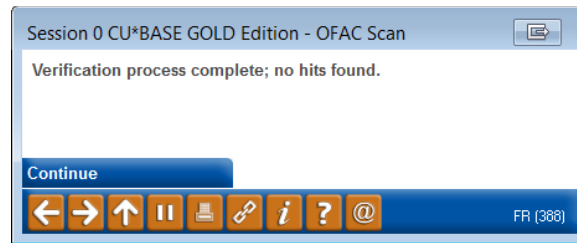
Press Enter to run another OFAC scan or to move to the following Screen 3.

Several fraud block scans are run against the contents of the third block screen and they appear after the OFAC scans are completed. Generally, the employee will not see these suspect match warnings, but this booklet includes them for reference. Refer to page 9 for more information on fraud block scans.

The pay to "Name" is scanned against the Pay to Name fraud block list. If there is a suspect match, the employee will see the following screen. Follow credit union policies and procedures for handling this suspect match.

Pay to Name Fraud Block List Suspect Match
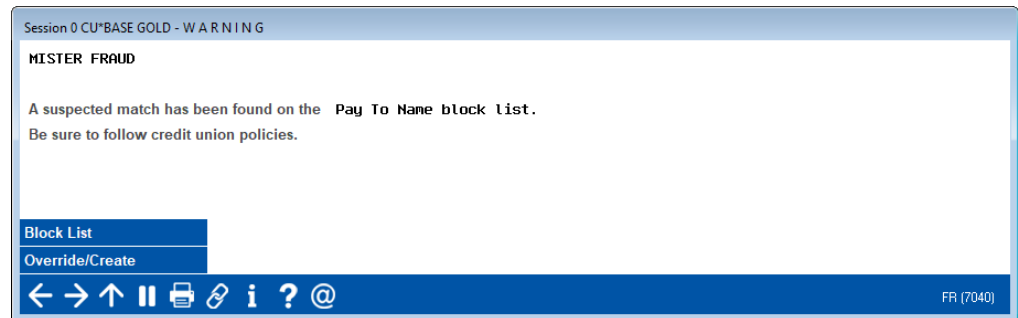
If the wire is an international wire is run against the country fraud block scan. This has a similar warning message. Follow credit union policies and procedures for handling this suspect match.

Country Fraud Block List Suspect Match
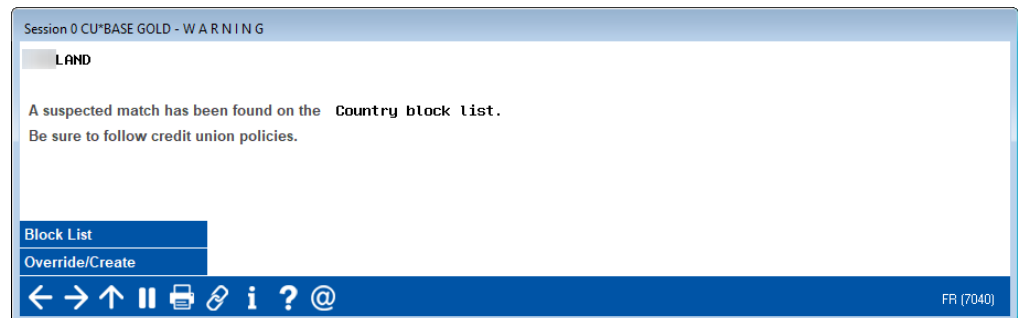
As stated earlier, these suspect match warnings will rarely appear and the employee will advance to the third wire screen after the OFAC scans.

Screen 3

Both incoming and outgoing transfers will move to this screen. On this screen you will confirm the transfer and fee amount and transaction description for the wire posting. You may choose to print a standard receipt if desired showing the withdrawal or deposit and applicable fee. Notice that the *Fee amount* field can be changed only if the posting code was configured to allow the fee to be manually waived.

When done, use *Post* (F5) to post the wire and fee to the member's account and add the wire to the tracking system queue.

COMPLETING THE WIRE USING THE TRACKING SYSTEM

The Wire Transfer Tracking system is intended to allow you to improve efficiency by streamlining the tasks required to perform wires. When a wire is posted to a member account, it is immediately added to the tracking system as a way to "queue" it up for completion.

For busy credit unions, this system allows you to centralize the responsibility of actually posting the wire while allowing front-line personnel to handle the direct member interaction. In order for this system to work it will be important that the people responsible for posting wires understand how to obtain the proper information needed to complete the wire in the back office.

Since the actual wire itself is handled by a third-party system such as your Fedline terminal or other standalone application, using the CU*BASE tracking system is not *required* in order to post wires. It is simply a way to keep track of the wires that need to be done and acts as a sort of "checklist" to make sure everything is completed as appropriate. And unlike a strictly paper-based system, the online tracking tool lets you easily monitor and analyze wire activity for volume, turnaround promptness, and cash flow.

Wire Transfer Tracking (Tool #981), Screen 1
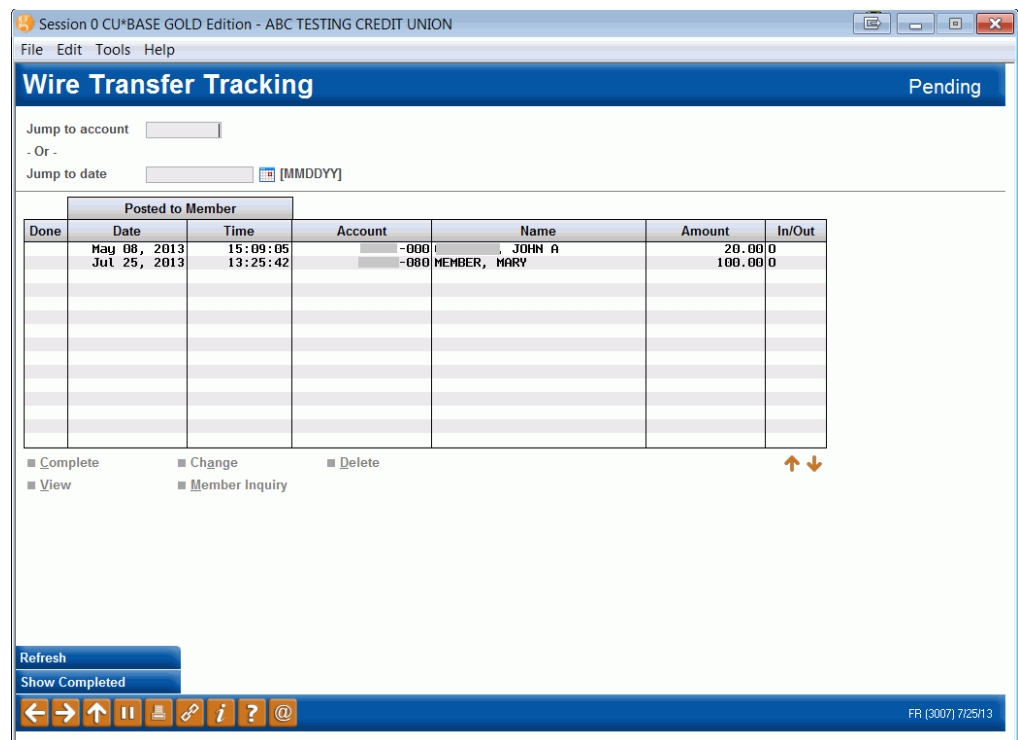
Use *Show Completed/Show All/Show Pending* (F10) to toggle between three different views (notice the label in the upper-right corner of the screen):

- ♦ **Pending Wires** - Wires that have been posted to member accounts but not yet marked as completed in the tracking system. (This is the default, starting view.)

- **Completed Wires** - Wires that have been marked as completed in the tracking system.

- **All Wire Transfers** - All wire transfers, whether marked as completed or not.

Use the *Jump to account* or *Jump to date* fields at the top of the screen to scroll quickly to a particular wire, either by account number or by date. Note that if you enter an account number, the list will change to be sorted by account number. Enter a date to sort the list by date (ascending order).

To work with a wire, select it in the list and choose one of the following options:

Options

Option	Description
Completed	Use this to mark a wire as completed. The screens shown below will appear.
Change	On a pending wire, use this option to edit the recipient name, address, and financial institution details. On a wire that has been marked as completed, this option will also allow you to edit the completion information (Employee ID, date/time, and comments).
Delete	Use this to delete a wire item from the tracking list. **This will NOT affect the member's account or G/L in any way.** A confirmation window will appear.
View	Use this to view wire details without changing anything. Screens similar to those used to mark the wire as completed will appear.
Member Inquiry	Use this to view this member's account information in Member Inquiry.

MARKING A WIRE "COMPLETED"

Screen 1

This screen appears when you select a pending wire and use the Completed option on the initial Wire Tracking screen. This screen shows details from the wire as it was originally posted. Use the forward arrow or press Enter to proceed to the final screen.

Screen 2

Use the fields at the bottom of this screen to record the employee ID, date, and time to show that the wire has been completed. Use the Comments field for any additional information you wish to save with the wire record. When done, use *Save* (F5) to save changes and return to the initial tracking screen. Notice a 1 in the *Done* column showing that the wire has been marked as complete.

WIRE ACTIVITY REPORT

Wire Transfer Activity Report (Tool #980)

The Wire Activity Report shows a list of all wire transfers that have been marked as "Completed" in the tracking system. The purpose of this report is to allow you to monitor the volume of wire activity by posting code. Use this screen to define a date range for the report. (Refers to the date on which the wire was posted <u>to the member</u>.)

Following is a sample of the printed report. Notice that Incoming and Outgoing wires will be listed on separate pages, and the report will show sub-totals by posting code.

```
10/18/04                          CUANSWERS TEST CREDIT UNION (DN)                    LWIRE        Page:   1
13:45:06                               Completed Wire Transfers                                  User: DAWNM
                                    For Wires Posted 10/01/04 to 10/31/04

INCOMING WIRES
POST CODE BNO

Posted to Member
  Date    Time    Account       Member Name        Amount    Recipient Name      Recipient FI        Other FI
-------- -------- ------------- ------------------ ----------- ------------------- ------------------- -------------------
10/14/04 15:05:38    930819-000 SUSIE Q MEMBER       5,000.00
10/15/04 12:16:26    927715-000 MARY DENEMBER          100.00
10/15/04 16:51:49    927715-000 MARY DEMEMBER          500.00

 ** Total $Dollars for Code -  BNO       5,600.00

POST CODE FED

Posted to Member
  Date    Time    Account       Member Name        Amount    Recipient Name      Recipient FI        Other FI
-------- -------- ------------- ------------------ ----------- ------------------- ------------------- -------------------
10/15/04 12:52:03    931007-000 FRED NENBER          1,000.00
10/15/04 15:45:24    927715-000 MARY DEMEMBER          500.00
10/18/04  9:48:53      2860-000 JOHN L MEMBERSKI     2,700.00

 ** Total $Dollars for Code -  FED       4,200.00

*** Total $Dollars for Incoming Wires    9,800.00
*** Total Number of Wires Incomming             6
```

```
10/18/04                          CUANSWERS TEST CREDIT UNION (DN)                    LWIRE           Page:
13:45:06                             Completed Wire Transfers                                        User: DAWNM
                                  For Wires Posted 10/01/04 to 10/31/04

OUTGOING WIRES
POST CODE BNO

Posted to Member
  Date     Time   Account      Member Name           Amount     Recipient Name      Recipient FI          Other FI
-------- -------- ------------ -------------------- ------------ -------------------- -------------------- --------------------
10/15/04 16:52:49   927715-000 MARY DEMEMBER          1,750.00  ANOTHER TEST        CORPORATE CU

 ** Total $Dollars for Code -  BNO             1,750.00

POST CODE FED

Posted to Member
  Date     Time   Account      Member Name           Amount     Recipient Name      Recipient FI          Other FI
-------- -------- ------------ -------------------- ------------ -------------------- -------------------- --------------------
10/14/04 15:27:56    43370-000 DONNA J AMEMBER        1,000.00  RECIPIENT           5TH 3RD BANK
10/14/04 15:49:48   931007-000 FRED MEMBER              300.00  TESTING 123
10/15/04 13:03:54    36770-000 SANDY VANMDMEBER         500.00  BANK USA

 ** Total $Dollars for Code -  FED             1,800.00

*** Total $Dollars for Outgoing Wires         3,550.00
*** Total Number of Wires Outgoing                   4

*** Total $Dollars Processed                 13,350.00
*** Total Number of Wires Processed                 10

                                            END OF REPORT
```