
Balancing Made Easy



CU*BASE and
Your Credit Union's
Back Office

Prepared for:

SUCCESS CREDIT UNION

Table of Contents

INTRODUCTION	3
Glossary of Terms	3
Accessing Online Help	3
Contact Information	3
PRINTING REPORTS	4
DAILY BALANCING PROCEDURES.....	5
Daily Balancing Checklist.....	5
Smart Operator	5
Synopsis of General Ledger Suspense Accounts and Resulting Balances.....	7
When Change Fund (Cash) Is Out of Balance	8
When the LGLACT1 Is Out Of Balance	10
When the Net Financial is out of Balance	13
ACH ACTIVITIES	15
PACHSU	15
ACH Returns.....	15
Settlement	16
ACH Suspense 870.11.....	16
<i>Reconciling ACH Exception Items</i>	<i>17</i>
ACH STOP PAYMENTS.....	17
ACH Pre-notes.....	17
SHARE DRAFT PROCESSING ACTIVITIES.....	19
Share Draft Returns.....	19
Share Draft Settlement/Return totals.....	21
CORPORATE DRAFT/MONEY ORDER RECONCILIATION	22
Reconciliation.....	22
Corporate Check Processing.....	24
<i>Member Checks</i>	<i>24</i>
<i>Miscellaneous Expense Checks</i>	<i>24</i>
<i>Smart G/L Checks.....</i>	<i>25</i>
<i>Phone Operator Checks.....</i>	<i>25</i>
<i>Auto Checks.....</i>	<i>25</i>
<i>Reprint Checks.....</i>	<i>26</i>
ATM/DEBIT CARD ACTIVITIES	28
Batch (Offline) Processing	28
<i>Maintenance.....</i>	<i>28</i>
<i>Reports.....</i>	<i>28</i>
<i>Balancing</i>	<i>28</i>
<i>Exceptions.....</i>	<i>28</i>
Online Processors	29
<i>CU*Answers supports ATM/Debit card processing for the following vendors:.....</i>	<i>29</i>
<i>Maintenance.....</i>	<i>29</i>
<i>Reports.....</i>	<i>29</i>
<i>Balancing</i>	<i>29</i>
<i>Suspense</i>	<i>30</i>
Online Credit Card Processors	30
<i>CU*Answers supports credit card processing for the following vendors:.....</i>	<i>30</i>
<i>Maintenance.....</i>	<i>30</i>
<i>Reports.....</i>	<i>30</i>
<i>Balancing</i>	<i>31</i>
<i>Suspense</i>	<i>31</i>
MONTHLY DIVIDEND/INTEREST ACCRUAL PROCESSING	32
Certificates	32
Loans.....	32
Shares.....	32
<i>Simple Daily Calculation</i>	<i>32</i>
<i>Average Daily Balance.....</i>	<i>33</i>
END OF MONTH TASK REMINDERS	34
Procedures.....	34
END OF MONTH ACTIVITIES	35

Procedures.....	35
Special Notes:.....	38
Generating Reports	39
<i>Optional End of Month Reports You Can Run</i>	39
CALL REPORT	41
MORTGAGE POINTS	42
ADDITIONAL NOTES	45
FORMS	46

INTRODUCTION

This manual is designed to guide the accounting department through the procedures CU*Answers recommends for reconciling all CU*BASE daily processing and interfaces.

We have created a special financial statement to assist your daily balancing of CU*BASE processes and interfaces. This financial statement is called “Daily Balancing Financial” and can be run from General Ledger menu, MNGELE, Option #16.

This financial should contain all general ledger accounts that should be verified on a daily basis. It can be modified to accommodate your specific needs.

Remember that this booklet is designed primarily to be a checklist of daily tasks, not an exhaustive description of how every screen, field and feature works. This is so that it can continue to be a helpful tool for checking off your daily tasks, and for instructing new staff on the day-to-day work that needs to be done. Online help and other reference booklets are also available should you wish to explore a particular feature in more depth.

Glossary of Terms

Throughout this manual, when you see ‘XX’, insert your credit union’s two-character ID.

S/D	Share Draft (Checking)
G/L or GL	General Ledger
OUTQ	Output Queue (location for reports waiting to print)
ACH	Automated Clearing House
J/E or JE	Journal Entry

Accessing Online Help

Occasionally in this document you will be referred to additional information in CU*BASE GOLD Online Help. To access this in CU*BASE, click the “?”, then click the Help Table of Contents menu. Use the navigation panel on the left to open the desired chapter (click the + sign to open a chapter).

Or, if you are working on a specific CU*BASE screen, you can click the [Learn About This Feature](#) button in the bottom-right corner of the screen to go directly to the help topic associated with that screen.

Contact Information

Xtend SRS Bookkeeping/Mortgage Servicing: 1-800-327-3478 x277

Client Services: 1-800-327-3478 x255

PRINTING REPORTS

In order to get your reports on a daily basis you can either use CU*SPY to view and print selected reports or run reports in CU*BASE on demand.

CU*SPY

CU*SPY powered by eDOC is a report storage system accessible to all credit union staff. Reports are typically stored within CU*SPY for 90 days; older reports are stored on CD-ROM or on your credit union's internal archiving system. CU*SPY can be used to view daily reports on your computer, and allow the staff to decide which reports need to be printed for any given day.

Reports on Demand

These are reports run from a CU*BASE menu option for the purposes of daily activity, such as the ACH exception report on MNACHP #4 – Work Daily ACH Exceptions.

Refer to page 37 & 38 on how to run reports to be archived.

Documentation

For more information on printing reports, refer to the Favorite Reports and CU*SPY booklets available on the CU*Answers website – CU*BASE Reference materials page.

http://cuanswers.com/client_reference.php

DAILY BALANCING PROCEDURES

Daily Balancing Checklist

On the following page is a list of items the Accounting Department needs to verify on a daily basis. You may copy this page and beside each task write the name of the employee responsible for completing that task. Detailed instructions for each task can be found on the following pages. This list may not be all-inclusive of your daily balancing responsibilities. Completing these items will ensure you have done your due diligence in verifying that the CU*BASE GL Interface has processed properly.

Smart Operator

This tool is located on the General Ledger menu, MNGELE, Option #9, can help your accounting staff monitor your daily vendor postings, such as drafts, ATM, ATM Positive Balance Files, and ACH. Were they posted and at what time? What was the dollar amount? Reviewing this screen should be a part of your daily balancing procedures. You can also view it throughout the day to see if a vendor file has arrived and been posted yet. This is an excellent verification tool for self-processors, also.

Vendor Processing Log

Date: May 01, 2009 [MMDDYYYY] Filter by selected date

Date	Start Time	Process	Debits	Credits	Completed
May 01, 2009	02:31:14	Loan Ins. Posting	25,612.44	0.00	YES
May 01, 2009	02:31:52	Debt Protection Post	0.00	0.00	YES
May 01, 2009	04:21:57	ACH Receive	873,596.01	681,600.04	YES
May 01, 2009	05:08:46	ACH Posting	0.00	3,784,886.28	YES
May 01, 2009	09:24:08	Share Draft Returns	0.00	3,540.21	YES
Apr 30, 2009	01:54:13	Debt Protection Post	0.00	0.00	YES
Apr 30, 2009	01:54:13	Loan Ins. Posting	0.00	0.00	YES
Apr 30, 2009	03:50:48	ACH Receive	917,612.50	3,282,667.30	YES
Apr 30, 2009	04:35:27	ACH Posting	0.00	2,075,226.36	YES
Apr 30, 2009	06:44:34	Share Draft Returns	0.00	7,695.85	YES
Apr 30, 2009	14:30:10	ACH Returns Transmit	4,005.55	0.00	YES
Apr 30, 2009	15:50:35	Share Draft Receive	1,791,566.57	0.00	YES
Apr 30, 2009	17:52:33	Corp Draft Post	917,954.79	0.00	YES
Apr 30, 2009	19:28:40	ACH Posting	896,687.94	0.00	YES
Apr 30, 2009	19:50:00	Share Draft Posting	863,306.28	0.00	YES

Process Lookup F2
Cancel F7
CU*SPY F11

(406) 05/01/09 11:05:52 Learn About This Feature

1. **Print Daily Balancing Financial Report**
2. **Print Reports**
3. **ACH Processing and Settlement**
 - a. Process ACH Exceptions
 - b. Post ACH Settlement>Returns J/E
 - c. Work PACHSU report
4. **Share Draft Processing and Settlement**
 - a. Process S/D Exceptions
 - b. Post S/D Settlement>Returns J/E
 - c. Reconcile Corporate Checks/Money Orders
5. **ATM/Debit/Credit Card Balancing and Settlement**
 - a. Process Exceptions (870-13, 870-16, 870-22)
 - b. Post Settlement Journal Entry
 - c. Reconcile balance in Settlement G/L account (s)
6. **Print Member Notices**
(Use MNPRTC #1 to print member notices)
7. **Print Auto/Mail Checks**
(Use MNPRTC #22 to print checks that were generated by the system over night or requested by a member via Audio/Homebanking)
8. **Verify Net Financials equals zero**
(Summary of GL 100-00 to 999-99)
9. **Match Member Balances to G/L balances**
(Use MNGELE #11 or LGLACT1)
10. **Match Vault Cash to G/L 739-00**
(Use MNGELE #12/F9 or PHTCL3)
11. **Match Bank Deposit with Outside Checks**
amount on PHTCL3 or outside check sweep on the report LGLTRE or you can do inquiry on GL# from MNGELE, Option #10
12. **Review Suspense G/L870-00–870-99 balances**
13. **Verify Vendor Posting totals in Smart Operator**
14. **Print ACH Returns** after 2:30 ET PM (MNACHP #9, Processed)

Synopsis of General Ledger Suspense Accounts and Resulting Balances

Below is a listing of all suspense accounts used during CU*BASE processing interfaces and the balance you should see in the account after daily balancing has been completed.

General Ledger Suspense Number	Balance
870.00 – Misc Data Processing Suspense	Should always be zero (\$0)
870.01 – Teller Processing Suspense	Should always be zero (\$0)
870.02 – Share Drafts Suspense	Equals the LNDET Report (MNSDAT #11) or the TNDDET3 Report or the; or amount displayed on the Processing Summary Stats screen (MNSDAT #6), Exceptions in 1 st Pass
870.03 – Loan Dept Processing Suspense	Should always be zero (\$0)
870.04 – Direct Posting Processing Suspense	Should always be zero (\$0)
870.05 – Payroll Processing Suspense	Should always be zero (\$0)
870.07 – Journal Transfer Processing Suspense	Should always be zero (\$0)
870.08 – Member Adjustment Suspense	Should always be zero (\$0)
870.09 – Inactive Account Proc Suspense	Should always be zero (\$0)
870.10 – Certificate Processing Suspense	Should always be zero (\$0)
870.11 – ACH Processing Suspense	Equals the LACHXC Report (MNACHP #4, F14) or the total of all NSF and un-posted items on the TACHD4 & PXACH reports
870.13 – ATM Processing Suspense	Should always be zero (\$0) Refer to LPANEX2
870.16 – Debit Card Processing Suspense	Should always be zero (\$0) Refer to LPANEX2
870.20 – Bill Payment/IPAY	Look for exceptions on the TEPPST2 report
870.22 – Credit Card Suspense	Should always be zero (\$0) Refer to LPANEX2
870.45 – Share Draft Returns	Equals total of current day S/D returns
870.96 – Audio/Home Banking Suspense	Should always be zero (\$0) Review PSITRANS2 Stand in Processing Exception report if there's a balance in this account. It can be found in CU*SPY in the Member Services category.
870.97 – Automatic Certificate Proc Suspense	Should always be zero (\$0)
870.98 – Automatic Transfer Proc Suspense	Should always be zero (\$0)
870.99 – Automatic System Proc Suspense	Should always be zero (\$0)

Note:

Member checks need to be printed every day from MNPRTC #22 Print Auto/Mail Checks. These checks can flow through 870.07, 870.96, 870.97, or 870.98. As such, these GLs may hold a balance equal to the pending checks. Use MNPRTC #21 Print Auto/Mail Check Audit List to see if any checks are waiting to be printed.

When Change Fund (Cash) Is Out of Balance

Use MNGELE #12 - F9 or PHTCL3 to verify that the branch cash for the teller/vault system is in balance to G/L# 739-00. If you use MNGELE #12 to view cash then you can use F15 to display all the offages for a date range. This can help you pin point very quickly the day you went out of balance. For example, on Monday you see that you're off but it could be from Friday or Saturday. Simply use the F15 Offages function to see if the difference starts on Friday or starts on Saturday.

Here are some tips for finding the offages.

[] MNRPTC #9 – Member Account Adjustment Report:

Run this report for the day you went out of balance using the offset G/L = 73900. This report will print only the adjustments that were performed on a member's account through the Account Adjustment or Teller Reversal functions.

Example: 739-00 is off by \$525.00 on 02/11/09

Fill in the screen as follows:

Transaction/process = PR

Transaction/process date = 021109

Offset G/L account # = 73900

Press enter to run report.

Review transactions for \$525.00 or that add up to this amount. In most cases you'll find a corporate check or money order was reversed on a member account but not voided in the check register so the check amount swept from 739-00 to the corporate G/L account in error. Simply mark the check as void and post a journal between 739-00 and the appropriate check G/L clearing account.

[] PHTCL7 - Teller Closing Error Report (located in CU*SPY under Teller reports)

Verify that all records on this report have corresponding transaction reversals on the member's account.

[] PSBGHT – Shared Branching Daily G/L Summary Report (located in CU*SPY under General Ledger)

If you found a member account on the PHTCL7 account that is not your member, use this number to find it on the shared branch report. This may indicate that an entry needs to be made between 739-00 and the 999-xx G/L corresponding to the shared branch credit union.

[] LCKTB – Check Register created during EOD cycle (located in CU*SPY under General Ledger reports)

Look at the check register for the day change fund is out of balance. This report lists all checks/money orders issued for the day. If a check(s) totaling the out-of-balance amount is evident, verify that the member's account is correct. Sometimes, a teller will print a check, but never post it to the member's account. A member account adjustment would be required to correct this particular situation.

[] MNGELE #10 – Display 739-00 history

Look for the day in question and the branch that is out of balance. Look for entries posted by credit union employees (JE ID other than TR). Sometimes an odd description might stand out as well. Was a journal entry or member account adjustment posted to this account in error? Make sure the balance in 739-00 for the day before is still in balance to your reports from yesterday which would indicate if someone back dated a journal entry to put this account out of balance.

[] LTLAU2 – End of Day Teller Closing Transaction Audit report (located in CU*SPY under Teller Daily Activity)

If a teller encountered an error during a transaction posting, the interface from the teller/vault system to the general ledger may not have completed correctly. This is called a “left to right” error. The report is sorted by teller number, then by type of transaction (deposits, withdrawals, miscellaneous receipts, etc.) At the end of each section are 2 totals, a left and a right total. Both should equal. If they do not, call Client Services for instructions to correct the error.

[] MNGELE #21 – Print TR System Journal Analysis report

Run this report for the day in question.

Change the printer ID to HOLDXX so that the report goes to your spool file for viewing instead of printing. This is a very large report so you don’t want to print it.

Press ESC or use the Timeout button to select #1 to view your spooled reports. The report name is LAUDT1. Click Display to view the report.

Next use the Find Field to search for the dollar amount in question. Be sure to include the comma in the amount or you won’t get a hit. (Ex: 12,345.67)

You can search by a word, such as ‘REV’. ‘REV’ will show any automatically reversed transactions such as money orders or corporate drafts that may need to be voided or fee reversals that need to be moved to the fee income GL.

***NOTE: Delete the TR report from your Spool file when you have finished with it. Select the report and click Delete.
--

[] LHTAU2 – Head Teller Audit Summary report

Check for the deletion of a teller drawer on this report.

[] Contact the CU*Answers support staff for further help in locating your change fund offage. Refer to page 3 for contact information.

When the LGLACT1 Is Out Of Balance

Use MNGELE #11 - or the LGLACT1 report to verify that the share, certificate and loan products as well as the accruals are in balance. If you use MNGELE #11 Trial Balance G/L Verification to verify that the member balances match the GL account balances you can use the “Quick Verify” window in the upper right corner of the screen. When all 4 titles are Green then you are in balance and good to “GO”. If one or more title is Red then you will need to “Stop” and research why there is an out of balance condition.

Special Note: The data for the LGLACT1 report and the MNGELE #11 screens are created as of today so you would be looking for the offage in the work for yesterday. So, if today is Friday, August 17 2010 then the offage is from the work of Thursday, August 16, 2010. If you are unsure when the offage started then use F15 to display the dates with the offage(s). If the offage shows up starting on August 14th then you'll look for the offage in the work of August 13th. It's very important to have the correct business day so that you can locate the offage quickly.

Here are some tips for finding the offages.

[] MNGELE #10 – Display history for G/L account with offage

Look for the day in question and the branch that is out of balance. Look for entries posted by credit union employees (JE ID other than TR). Sometimes an odd description might stand out as well. Was a journal entry or member account adjustment posted to this account in error? Make sure the balance in this G/L account for the day before is still in balance to your reports from yesterday which would indicate if someone back dated a journal entry to put this account out of balance.

Also, the comparison report will match the member accounts that have a balance so if a branch no longer contains a member balance you may need to look at the G/L history for this member G/L account by branch. You could find a balance in branch 05 but there is no longer a member with a balance in branch 05 and branch 01 has the offage. In this rare case, simply post a journal entry between branch 01 and branch 05 for the same GL number to put the branches back in balance.

[] MNRPTC #9 – Look for Member Account Adjustments

Run this report for the day you went out of balance using the offset G/L = Account with difference. This report will print only the adjustments that were performed on a member's account through the Account Adjustment function.

Example: 900-00 is off by \$525.00 on 08/11/10

Fill in the screen as follows:

Transaction/process = PR

Transaction/process date = 081110

Offset G/L account # = 90000

Press enter to run report.

Review transactions for \$525.00 or that adds up to this amount. In most cases you'll find a transaction that was reversed on a member account that should have been offset to either a clearing account or suspense account. Simply post a journal between the member G/L 900-00 account and the appropriate offset G/L account. The LGLACT report and MNGELE #11 screens will go back into balance tomorrow.

[] MNGELE #21 – Look for Sunday transactions

If several member G/L accounts are out of balance and the date you show off is a Tuesday, then you may have had someone come in and perform member transactions on a non-work day for your credit union. CU*Answer's will run an end of day process for all credit unions Monday through Saturday with an exception of a few who are open on Sunday. So, if someone comes in on Sunday and posts to your member accounts the member accounts will be correct but the transactions will not interface to the G/L accounts.

To check to see if there were transactions posted on Sunday, run the TR detail report using MNGELE #21 for Sunday's date. This report will either be empty or just a few pages so you can let it print on your printer. If this report contains the transactions that make up your offages then you will need to create a journal entry for the transactions on this report. After it's posted your G/L totals will reflect corrected in the next day's LGLACT1 report.

[] MNAUDT #18 – Audit File Maintenance:

You will use this option when either the share or certificate accrual amounts are out of balance. Maintenance can be performed on the accrued dividend amounts to fix the member accounts but this action does not interface to the G/L accounts at end of day. To verify that someone did perform maintenance on an accrued dividend amount your will use either the MNAUDT #18 option to view the maintenance or the LELOG2 report that is located in CU*SPY under the Member Service category. The field name to search for a share accrued dividend change is "DAYDIV" and the field name for certificates is "DIVACR". Once you find the accounts that were updated and review the data change from and to fields you'll see that you need to make a journal entry between the accrual G/L and the dividend expense G/L for this product. Refer to your chart of accounts to find the correct expense G/L account.

[] MNGELE #11 – (F20) Add Comments to explain offages

Once you have identified the items that caused the difference, remember to return to the General Ledger menu, Option 11, Trial Balance/GL Verification and click F20 Comments, to add an explanation for the offages. Include your initials so other staff can readily identify who researched the items.

This is helpful since these offages are rare and you can use the F15 option to view the past dates that have comments. Review these comments to help you locate your

When the Net Financial is out of Balance

Total debits and total credits posted, whether automatically during End-of-Day processing or manually posted by CU staff, should always equal. If a journal entry posts that does not balance, this will be reflected by a dollar amount on your balance sheet. Though rare, proper steps must be taken to correct the issue. Here are some tips for finding the offages:

[] PGLADD – General Ledger Journal Entry Generation Summary

Review the TR summary report located in General Ledger section of CU*Spy to see if the automated journal entry batch, commonly referred to as the “TR”, is out of balance. If this entry is out of balance, contact the Client Service Team.

[] PGLTB – General Ledger Daily Transaction Journal Proof

Review the daily journal proof report to see if there are any transactions associated with GL numbers that are not located in the chart of accounts. These will be clearly identified by a message surrounded by “*” asterisks.

[] MNGELE #21 – Print TR System Journal Analysis

Run this report for the day you are out of balance and change the Printer ID to your HOLDxx so that this large report will not print. Now view this report using the “ESC key”, #1 Work with spool files, select the “LAUDDT1” report to display. Use the “Find” field at the top left side of the screen to enter the amount you are off like 76.50 type as “ 76.50” (use a space in front of the amount so that your search is more precise) and press F16 to Find. You can continue to press F16 to move to the next item that matches this amount until you reach the end of the report. If you do not locate your amount then move to the next step. If you locate the amount but don’t understand why this transaction created your difference, then contact the Client Service Team.

[] MNRPTC #26 – CU Financials Verification

Run this report to see if there’s an offage in the resulting balance for any of your G/L accounts. If, for example, you went out of balance in September 2010, then use the date ‘0910’, Branch = 00 (for all branches), and use report type 2 to only print the GLs out of balance. If this report lists any out of balance GLs contact the CSR or SRS teams to resolve the issue.

Again, though rare, issues such as these can occur due to a system error message that has been cancelled through by a CU employee. **Remember to always contact Client Services if you receive a display program error message.**

[] MNQRY2 #12 – GLBALA - GL Balance File

Use this canned Query to see if there is a journal entry posted with no date. Simply enter POSTMO equal to 0, and enter. If a record is found, contact a member of the CSR or SRS team to resolve the issue.

[] MNGELE #18 – Print GL History (daily)

Run this option for the range of dates, or the date your net financial went out of balance. Keep in mind that you may be looking for an older date since staff can back date journal entries. Run this report to HOLDxx, instead of printing, so that you can view the information on the screen (go to timeout, option #2, select the HOLDxx, page down to the last report, and use 5 to display).

Go to the bottom of the report to see if the total debits and credits are off. If it is out of balance, review the report to find any journal entries that are not in balance. These should then be unposted, corrected, and reposted to correct the net financial offage.

ACH ACTIVITIES

CU*Answers receives an ACH transmission file each business day from the Federal Reserve. Post-dated items are warehoused and posted to member accounts on the effective date. Credits with current day effective dates are posted each morning, debits for current day are posted in the evening before drafts and ATM transactions.

To ensure the interfaces posted correctly, there are tasks you will need to complete each morning. Extensive online help outlining process timing, reports, etc., is available. Please review the ACH Processing (MNACHP) chapter in CU*BASE GOLD Online Help for a thorough understanding of ACH processing with CU*BASE.

PACHSU

Each day when we receive the ACH files an ACH Suspense File Exception Report, PACHSU, is generated. This report can also be printed, using MNACHP menu, Option #10, which you may find easier to use because NSF items can be excluded. This report shows all items that are unable to post because the depositor ID does not match any of your members' account numbers. All items with the message "Base Account Not Found" need to be corrected. Use the menu, MNACHP, Option #1 to make your corrections.

*The first 30 days after your conversion to CU*BASE, we will not post the credits in the morning until you have had the opportunity to correct items on this report. Once all corrections have been made, call our Operations Department at extension 132 and let them know the ACH credits are ready to post.*

After posting, more reports will be ready for you to print in DAILYXX or you may leave them in DAILYXX and the reports will go through the normal OUTQ routing and go to CU*SPY.

The exceptions can also be printed from the Work Daily Exceptions option #14 on MNACHP; F14 to Print. The report is sorted by date and Tran Code. You may find this an easier way to work exceptions since you can look up all of the accounts at once, determine any transfers to be made, determine which items should be posted back to the member, and mark the desired return code right on the report.

ACH Returns

Work ACH exceptions on MNACHP, Option #4. These must be completed before 2:30PM EST if CU*Answers processes your returns. There is no need to contact our Operations Department. OPS will automatically pull those returns that are ready.

Once you have entered return reason codes on all those items to be returned and deleted the items that will be posted to the member, the exception screen should now be empty.

Print a List of Submitted Returns from MNACHP, Option #9. Maintenance Date will be today's date, list only returns by clicking the Returns button.

The amount for the daily journal entry for ACH returns is on the above report. Post the entry with yesterday's date. If the returns are debits, then debit the correspondent GL and credit 870.11. If the returns are credits, debit 870.11 and credit the correspondent GL. Once this has been posted, 870.11 should reflect a zero balance with the exception of any account adjustments posted today.

After 2:30 PM, pull the List of Submitted Returns again and match totals to your first report. This will ensure that all returns were transmitted by CU*Answers to the FRB that day. The totals on this final report should match the totals on your Fed Advice fax/email.

Also print out a Member Account Adjustment report, MNRPTC #9, to verify what you posted today. The totals on this report will be used to reconcile returns. (See *"Reconcile ACH Exception Items"* on the next page).

Settlement

Match the totals on the ACH Settlement Report, PACHD, to the FRB Statement of Activity report. The PACHD report is the last page of the ACH Suspense Update Exception Report, PACHD1.

The journal entry for the settlement should be posted daily. We recommend using the effective dates on the PACHD report as posting dates for the entry. Post individual DR & CR totals to the correspondent account, and offset the ACH settlement account. (DR on FRB activity and a DR on the PACHD = CR to the correspondent account). Once this entry is posted, a general ledger history on your ACH settlement account should now reflect a zero balance as of the prior business day.

If the GL does not reflect a zero balance, the balances of the settlement items can be reviewed and confirmed in the Fed Transmission Summary Inq., MNACHP #3.

ACH Suspense 870.11

Verify prior day returns by matching the amount listed on the FRB statement with yesterday's journal entry.

Verify the balance in 870.11 by selecting the F14 Print option in MNACHP, Option 4, Work Daily ACH Exceptions. Match the total on this report to the balance in 870.11. This will ensure you have correctly posted journal entries and member account adjustments.

If there is a discrepancy, you can use the following research tools:

Look at the PXACH report for unposted items. Use the Member Acct Adjustment Screen to post a correction to a member's account and offset the ACH suspense account, 870.11.

NSF items will appear on the TACHD5 report. Use the Member Account Adjustment screen to post the item to the member's account. HOWEVER, if you need to return the item, originate the return item back to the FRB using MNACHP, Option #4. Then create and post a journal entry to move the money between suspense account, 870.11 and the correspondent GL.

Make sure the ACH Origination Returns and NOCs Report, PACHD2, are blank. This report will show any prior day returns rejected by the FRB. If there are any items on it they will need to be either returned again or posted back to the member. You should see 'Dishonored' in the GL Description field.

The ACH Processing Transaction Register – Errors report, TACHD4 will show any stop payments or transactions that tried to post to a closed account.

Reconciling ACH Exception Items

Once you have finished posting items and marking the remaining for return, all of your activity can be reconciled to verify that you completed all of your steps and posted accurately.

The total of debits on the LACHXC, ACH Exceptions Listing minus the total of debits returned from MNACHP#9, Print Submitted Returns/NOCs, should equal the amount of account adjustments you processed to force pay items.

The total of credits on the LACHXC, ACH Exceptions Listing minus the total of credits returned from MNACHP#9, Print Submitted Returns/NOCs, should equal the amount of account adjustments you processing to force pay items.

Both of these calculations will net to zero if you posted everything correctly.

ACH STOP PAYMENTS

To place a stop payment on an ACH item, simply use Option 1 on the ACH/Payroll Processing Menu, MNACHP. After the company and account number in question have been located, double click on the account number to access the ACH Distribution Maintenance screen. In the distribution code field enter '08'. This code will prevent the item from posting to the member. On the day the item is scheduled to post, you will find it in the suspense account, 870.11, and on the Daily Exceptions screen, MNACHP, Option #4. The item will be displayed on the error report, TACHD4. Return the item.

Your credit union's internal policies as well as NACHA rules will dictate the expiration date of the stop payment. A list of ACH stop payments should be manually updated, as CU*BASE does not currently have an expiration date field available for ACH items.

ACH Pre-notes

Occasionally, a company will send through a zero-dollar-amount transaction to verify the account number and let the credit union know a valid ACH item will follow.

Pre-notes can be worked using the ACH Exception report, as explained above. They will be identified with Tran Code 23.

CU*BASE will also generate reports when pre-notes are received.

PACXTB2 – Notifications of Death

PACXTB3 – Pre-notes (zero-dollar transactions)

SHARE DRAFT PROCESSING ACTIVITIES

The share drafts for your credit union are processed through a third party. CU*Answers receives the draft file usually during the day Monday through Friday and posts the drafts to the members at approximately 7:00 PM EST.

Each morning there are steps to take to reconcile these draft files and work the exceptions. Please review the Share Draft/Check Processing Chapter in CU*BASE GOLD Online Help for an outline of the entire process.

Share Draft Returns

Working the share draft exceptions is only a three- or four-step process, depending on your share draft processor. Working from the Member Check/ATM Processing Menu, MNSDAT, you will focus on Options 1 through 4.

1. **#11 – Print S/D Exception report:** This option prints a list of draft exceptions in order by the reason code. This matches the order of exceptions displayed in option #1 Work S/D exceptions screen
2. **#1 - Work S/D Exceptions:** This option allows you to work the exceptions by correcting any invalid accounts, paying a draft for a member, or waiving any NSF fees as determined by your internal policies. *See next page on how to handle corporate check/money order or NOI exceptions that show up here as code 35 Invalid.*
3. **#2 – Repost S/D exceptions:** After all ACH credits and night deposits have been processed, you now have the option to try to clear more drafts. Option 2 allows you to re-post the exception file. The system will again look for available funds to pay those drafts. This step will generate reports TNDET2 and TNDET3.
⇒ Keep in mind that Steps 1 and 2 may be done multiple times.
4. **#3 – Post NSF Fees:** Now the fees need to be posted to member accounts. Taking Option 3 accomplishes this task automatically as well as generating the notices. This step will generate reports LNDET, TNDEF1 and TNDEF2.
⇒ **YOU CAN ONLY TAKE THIS MENU OPTION ONCE!**
5. **#4 – Confirm/Transmit Member Returns:** This option is customized to your share draft processor's requirements. If you are not a CU*Answers IP client, call CU*Answers Operations Department at extension 132 and let them know your share draft returns are ready to transmit.

For credit unions using CU*Answers IP as their item processor Option 4 must be done by the credit union no later than 12:30 PM EST. Report SNDT1XX is generated from this step. To confirm that Option 4 was done, take a look at Option #1 again. The screen should be empty. There should be no member records listed here unless you have put a draft on hold.

6. **Draft Reports:** In order to keep your records in order, staple together all reports generated from the above steps, placing the SNDT1XX on the top. This report will have the total amount of returns that you will need to make your daily journal entry.
7. **MNGELE #1 - G/L Journal Entry:** Create a journal entry effective dated for the date of the draft posting which is typically yesterday's business date. You will post the total S/D settlement amount by debiting the S/D clearing account and crediting the appropriate corporate account. You will post the draft return amount by crediting G/L #870.45 Items in Transit and debiting your corporate account. The balance in G/L 870.45 after this entry is posted should be equal to zero.

Note: Use a Journal Template to save time creating these posting entries. See online help for instructions on this feature.

8. **MNPRTC #1 - Print Notices:** Once you have completed all of the above steps, notices can be printed. Using this option to select all notices to print. These will include delinquency, certificate maturity, overdraft, NSF, and any loan rate/payment changes. Distribute according to your credit union's internal policies.

When a Draft Exception is a Corporate Check or Money Order:

In the event a corporate draft or money order was encoded incorrectly, it may show up in your share draft exception file. Take the following steps:

1. **View Check Copy:** Obtain a copy of the check from your usual source, whether it is online imaging, CU*Check Viewer, or calling your share draft processor.
2. **MNSDAT #1 - Change Check Status:** Change the status to 'D' to delete this item.
3. **MNACCK #7 – Update Check/Money Status:** Change the status to 'C' to clear this item and enter the trace number and reconcile date.
4. **MNGELE #1 - Create/post journal entry:** Create a journal entry effective dated for the date of the draft posting which is typically yesterday's business date. You will post the check amount by debiting the outstanding corporate draft/money order account and crediting G/L 870.02. For tracking purposes, enter the draft/money order number for example "Clear Ck#1234" or "Clear MO#56789".

When a Draft Exception is an NOI, Not Our Item:

In the event that you receive an invalid (35) item that when viewed is not one of your member's drafts, then you will return it as refer to maker.

However, if you are a CU*Answer's IP client then you'll change the status to 'D' to deleted the item. Next print/fax a copy of the check with your institutions' information (CU name/your name/phone#) on it to 616-285-5705. This item will go back as a separate adjustment transaction.

Share Draft Settlement/Return totals

To verify your settlement journal entry amount:

1. Match the draft settlement total from the RNDT1XX report to your corporate history or FRB Acknowledgement.
2. You can review settlement totals for drafts and corporate drafts in MNSDAT #6, Processing Summary Stats. Select the date to review and press ENTER. There are tabs for the Member Checks, Corporate Checks and Overdraft Transfers.

Processor code	1	Total amount of checks in file	1,791,566.57
Date	Apr 30, 2009	Total # of checks in	2,540

Check Processing Analysis			
Member Checks Corporate Checks Overdraft Transfers			
Description	Total Amount	Fee Amount	# of Checks
Total member checks received	873,611.78		2,465
Member checks posted	863,306.28		2,435
Members checks posted to negative balance	4,110.04	1,120.00	30
Exceptions in 1st pass	10,305.50		30
Re-posted	6,765.29	175.00	17
Force posted to negative balance	0.00		
Returned	3,540.21	420.00	13

3. Move the total figure from the draft settlement account to your correspondent account by debiting the draft clearing account and crediting the correspondent account. Date the entry for the prior business day. The draft settlement account should now reflect a zero balance when viewed in the General Ledger History in MNGELE, Option #10.
4. The total next to Exceptions in 1st Pass will also match the amount in 870.02.

Additional Notes

CORPORATE DRAFT/MONEY ORDER RECONCILIATION

Reconciliation

Each day run the outstanding check summary report from the Print CU Check Register option (MNACCK #11) to match the balance of the outstanding checks to the G/L account for Corporate Checks and Money Order.

NOTE: When running this report option, be sure to change the report type from D=Detail to S=Summary. This will prevent you from printing a large report listing all outstanding corporate drafts and money orders.

Using MNACCK, Option #11, select the appropriate Bank ID. Usually, this will be C1 for corporate drafts and M1 for money orders. There is a look-up button to see the Bank IDs configured for your credit union. The 'through date' should be yesterday's date.

Select only Outstanding items to be printed. Run one report for the corporate draft bank ID and one for the money order bank ID.

The totals on the last page of these reports should match the corresponding GL account numbers.

From CU*Spy, locate the PCKRXX – Check Reconciliation Report in the Third Party Processing category. Most checks will find matches on the check register with the check number and amount, but in some cases you may see errors. Refer to the messages below for instructions on correcting these errors:

"BANK ACCOUNT# IS INVALID"	Sometimes the MICR line is encoded incorrectly and does not match any Bank ID configurations. To correct this, mark the check(s) as cleared in the check register and post a journal entry debiting outstanding corporate drafts or outstanding money orders and crediting share draft settlement.
"CHECK # NOT FOUND"	Use your check viewing tool to display the check and find the correct check number. Use either MNACCK #7 or #10 to mark the check cleared.
"AMT DOES NOT = CHECK FILE"	<p>The amount encoded on the MICR line does not match the amount on the check register for this check number. Use your check viewing tool to display the check; if the check number does not match the one on the report look it up, verify that the amount matches, and mark the correct check number as cleared in MNACCK #7 or #10.</p> <p>If the check number is correct but the amount encoded is incorrect, you can either:</p> <ol style="list-style-type: none"> 1. If the amount is under \$50, expense the amount by posting a journal entry between outstanding CK/MO

	<p>and the share draft settlement GL.</p> <p>2. If amount difference is greater than \$50, you can submit a request to your draft vendor for an adjustment. Since draft adjustments typically come in to your corporate account as a separate item, post a journal entry between your outstanding CK/MO G/L and your corporate account.</p>
“STOP PAYMENT REQUESTED”	Add these checks to your member check returns by calling them in to your check vendor to return, or adding to draft exceptions screen, MNSDAT #1. You will need to post a journal entry by crediting your corporate CK/MO G/L and debiting G/L 870.45.
“ALREADY RECONCILED”	The check status is already marked as ‘C’ for Cleared. Review this check on your check register to see when this check was marked cleared. Print a copy of this check for the current presentment date and the prior presentment date. If this check is a duplicate, then call this item into your draft vendor to request an adjustment and post a journal entry between your outstanding CK/MO G/L and your corporate account.
“VOID – NO REVERSAL” “VOIDED – REVERSAL”	<p>The check status is marked ‘S’ for Spoil</p> <p>The check status is marked ‘V’ for Void</p> <p>In either case, you need to verify the check number and if it is correct, then look on the check register to see if there were 2 checks written for the same amount for the same person. Typically the wrong check could be marked as ‘S’ or ‘V’. Change the status codes to be correct on both checks.</p>

NOTE: When marking a check as ‘C’leared, also add the trace number and recon date.

Usually, if the outstanding check accounts are out of balance, it is due to a check or money order not being marked ‘Void’ the same day the transaction was reversed.

We recommend balancing your corporate drafts and money orders a minimum of once a week. Of course, you can balance more frequently if you wish.

*Additional Note: Use the maintenance report to review changes made to the status code of corporate checks/money orders. This can be helpful if someone changed a status and did not perform a corresponding G/L entry to complete the change. In CU*SPY the maintenance report is called LELOG and you would be looking for the field name “CHSTAT”. If you have access to MNAUDT option #18, you can view maintenance for the current month. Simply enter the “CHSTAT” in the Field box and press enter to sort these changes to the top of the screen. Press the toggle key to see the check number associated with this maintenance. Researching these items can help you locate an offage.*

Corporate Check Processing

Checks are generated through various processes within CU*BASE. There are five different types of checks.

Member Checks

Created through the teller processing screen or the loan disbursement screen.

Temporarily credit change fund, 739.00, and then 'Sweep' during End-of-Day processing by debiting change fund and crediting the outstanding corporate draft account.

These checks do not affect the general ledger until End-of-Day processing has been completed.

The G/L interface for these checks is part of the 'TR' entry and has the description 'C/U CHECKS'.

To void the check the same day it was written, mark the check as void in the check register, MNACCK, Option #7 and reverse the member's transaction using the Reverse Trans/Adj Teller Drawer feature, MNSERV, Option #4.

To void the check other than same day, mark the check as void in the check register, MNACCK, Option #7 and reverse the transaction using the Member Account Adjustment, MNSERV, Option #3. The offset G/L number will be the outstanding corporate draft account.

If the member's transaction was reversed on the day the check was issued, but the check was not marked void, make a reversing sweep entry for the check amount crediting Change Fund, 739.00, and debiting the outstanding corporate draft account. Mark the check void in the check register.

Miscellaneous Expense Checks

These checks are created using either MNSERV, Option #6, or MNACCK, Option #6.

The checks will create a debit to the expense account entered and a credit to the outstanding corporate draft account.

No entries are posted to the general ledger until End-of-Day processing has been completed.

The G/L interface for these checks is part of the 'TR' entries created during End-of-Day and will have a description of 'CU CK'. Each check is posted individually.

To void the check the same day it was written, mark the check as void in the check register, MNACCK, Option #7.

To void the check other than same day, mark the check as void in the check register and make a reversing journal entry, crediting the expense account and debiting the outstanding corporate draft account.

Smart G/L Checks

These checks are created through the Accounts Payable system, MNACCK, Option #2 or Option #5.

These checks will post immediately to the general ledger and will have a J/E ID of 'CD'.

Each check can have up to 10 debits.

To void, use MNACCK, Option #10. Select the appropriate Bank ID, select 'Void' for the Operation, enter the check number and amount, check the box to Generate Reversing A/P J/E. Hit Enter. The system has created a journal entry to be posted. The entry will have a J/E ID of 'CV'. Post the entry from MNGELE, Option #1.

You may also use MNACCK, Option #7 to void the check and create and post the reversing journal entry in MNGELE, Option #1.

Phone Operator Checks

These checks are created in Phone Operator, F2 from any menu.

These checks post to the outstanding corporate draft GL during End-of-Day processing.

To void the check the day it was issued, mark the check void in the check register, MNACCK, Option #7 and reverse the member's transaction using MNSERV, Option #4.

To void the check other than same day, mark the check void in the check register, MNACCK, Option #7 and reverse the transaction using Member Account Adjustment, MNSERV, Option #3. The offset G/L will be the outstanding corporate draft account.

If the member's transaction was reversed on the day the check was issued, but the check was not marked void, mark the check void using MNACCK, Option #7.

Auto Checks

These checks are generated during End-of-Day processing from audio response requests, home banking requests, certificate maturity and certificate dividend processing, IRA distributions and Club processing. A list of these checks can be obtained from MNPRTC, Option #21, Print Auto/Mail Check Audit List. This should be part of your daily task list.

Print the checks using MNPRTC, Option 22, Print Auto/Mail Checks.

The certificate checks sweep through 870.97, all other checks sweep through 870.07.

To void, after the checks have been printed, mark the check as void in the check register, MNACCK, Option #7. Post a Member Account Adjustment, MNSERV, Option #3, depositing the money into the member's account. The offset G/L will be the outstanding corporate draft account.

Reprint Checks

Use the reprint check option, MNSERV, Option #7, when the check amount is correct but the 'Payable To' information is incorrect or if the check was damaged during printing. This option will mark the check as spoiled, 'S', in the check register and will automatically generate another check for the same amount using the new 'Payable To' information.

This option creates a new check in the register, but does not produce another withdrawal from the member's account.

SPECIAL TOOLS FOR MULTI-CORP ORGANIZATIONS

CORPORATE SETTLEMENT TIPS TO KEEP IN MIND

- Settlement G/L accounts are generally set up as 999.##, where the ## is the corporate ID. For example 999.01 for Corp ID 01 and 999.19 for Corp ID 19. These are used to settle teller transactions, vault transfers, Miscellaneous Receipts, daily over & short, and the like, between corporations.
- Keep in mind that Corp 01 owns the cash and all the branch vaults. This corporation takes in and hands out all cash. Outside checks also belong to Corp 01.
- Vault differences that are not corrected the same day need to be adjusted to Corp 01 using the special Corporate Settlement Account Adjustment feature described on the Page 20.
- LGLACT – Member share/loan report comparison to G/L should never have anything under Corp 01 (No member records)
- The daily report PGLSET shows daily Corp ID settlement activity for all corporations. You can also use normal CU*BASE G/L inquiry features to ensure that the 999.## settlement G/Ls net to zero across all corporations, similar to the way you manage other daily balancing tasks in CU*BASE.

ACH processing in Multi-corp environment

- There could be special instructions for the CU in this area

Share Drafts processing in Multi-corp environment

- There could be special instructions for the CU in this area

ATM/Debit processing in Multi-corp environment

- There can be a separate BIN based on Corp so that it can have a settlement by Corp, otherwise the daily balancing reports will be lumped together.

ATM/DEBIT CARD ACTIVITIES

Your ATM/Debit activity is processed by a third party. CU*BASE defines transactions as either PIN-based or signature-based. ATM transactions are usually PIN-based, however, debit card transactions can be either.

Batch (Offline) Processing

If your credit union is utilizing batch processing, CU*Answers will receive and post a transaction file for you each day. Also, if requested, we will send a Positive Balance File (PBF) back to the vendor each day at the time designated by your credit union. Remember that you can use the "Smart Operator" option to view the date and time these files were sent/received.

Maintenance

Card information can be added in CU*BASE for inquiry purposes. If we are sending a PBF to the vendor, this information is required. Through Phone Operator (F2) or Inquiry (F1), select F17-OTB/Cards. Enter the card number as it appears on the plastic. Choose the type, either ATM or Debit, then click Add/Update #1. Enter the appropriate service charge group. Cards will still be ordered and maintained through your processor's administration terminal or software.

Reports

Each day CU*Answers will generate transaction reports based on files received from your processor. There will be a TATMXX report for the ATM/Debit card posting detail and a separate report for the ATM/Debit card posting summary. There will also be a posting exception report if an exception exists otherwise this report will not be generated.

Balancing

Each day you should match the transaction posting report, RATMXX, to the vendor settlement report. Create and post a journal entry debiting the ATM settlement account, crediting the correspondent account dating the entry for the prior business day. After this entry has been posted, the ATM settlement account should reflect a zero balance for the prior business day.

Exceptions

Any exceptions (items that could not be posted to a member's account) will post to GL 870.13 for ATM and 870.16 for Debit transactions. These items should be posted to the member's account daily using Member Account Adjustment, offsetting either 870.13 or 870.16. Once all adjustments have been made, the accounts should reflect a zero balance for the prior business day. The accounts won't reflect a zero balance for the current day because member account adjustments do not interface with the general ledger until End-of-Day processing.

Online Processors

CU*Answers supports ATM/Debit card processing for the following vendors:

Co-op	FIS
Elan	Fifth Third
Metavante	FISERV
Pemco	Shazam
Visa DPS	Star
One Bridge	

*Go to CU*Answers.com to find the most current list.*

Maintenance

Account and card maintenance performed on CU*BASE is sent in the evening to the ATM/Debit card vendors, Monday through Saturday. The maintenance reports are called LADMXX1A and LADMXX1B. It is recommended that the maintenance on these reports be matched up with the vendor maintenance reports or use an online inquiry feature to ensure that these changes occurred. Report any discrepancies to the Client Service Team.

Reports

Transactions reports are generate Monday through Saturday; Sunday activity shows in with Monday. The LPANTX1 report is the detail transaction report and the LPANTX2 report is the summary report that prints totals by settlement date and process date. Typically, only the summary report is needed to reconcile the general ledger settlement account.

There are three exception reports which are as follows; the LPANEX1 is for denied transactions, the LPANEX2 is for posting errors, and the LPANEX3 is for transactions that were charged the ISA fee.

Recon

A reconciliation file is sent to CU*Answer from each vendor containing the transactions they authorized to post. This file is compared in two ways to the posted CU*BASE transactions. The PRCNXX1 report compares the vendor file as the primary file to the CU*BASE transactions and the PRCNXX2 report compares the CU*BASE transactions as the primary to the vendor file. This ensures all differences between the transactions are located and printed on these reports.

Balancing

After the settlement totals are posted from the vendor reports to your general ledger, you will need to verify the resulting balance. This resulting balance is typically the holdover amount of the transactions that occur after your ATM/Debit card vendor ends their business day through mid-night or the time CU*Answers runs the EOD processing

for the day. Use the LPANTX2 report to locate the holdover amount for you general ledger by matching the business date you are balancing to the appropriate settlement date and process date. For example, if you are trying to reconcile the GL balance on 3/08/11, you need to find the total that matches to the process date of 3/08/11 but the settlement date is 3/09/11. If you are still out of balance, review the exceptions on the reconciliation reports PRCNXX1 and PRCNXX2.

In the back of this document you will find an ATM/Debit card balancing form that can be used to enter the amounts from the CU*BASE reports and the vendor reports to help you reconcile the totals for a specific date.

Suspense

Transactions that can't be posted to a member's account will post as an exception to either GL 870-13 or 870-16. You can locate the detail for these exceptions on the LPANEX2 report labeled as "suspense". These items should be posted to the member's account daily using Member Account Adjustment, offsetting the appropriate suspense account.

Online Credit Card Processors

CU*Answers supports credit card processing for the following vendors:

FIS

OneBridge

FTPS (Fifth Third Processing Solutions)

JHA(PEMCO) – Jack Henry

*Go to CU*Answers.com to find the most current list.*

Maintenance

Account and card maintenance performed on CU*BASE is sent in the evening to the credit card vendors, Monday through Saturday. The maintenance reports are called PCTMXX2A and PCTMXX2B. It is recommended that the maintenance on these reports be matched up with the vendor maintenance reports or use an online inquiry feature to ensure that these changes occurred. Report any discrepancies to the Client Service Team.

Reports

Transactions reports are generate Monday through Saturday; Sunday activity shows in with Monday. The LPANTX1 report is the detail transaction report and the LPANTX3 report is the summary report that prints totals by settlement date and process date. Typically, only the summary report is needed to reconcile the general ledger settlement account.

There are three exception reports which are as follows; the LPANEX1 is for denied transactions, the LPANEX2 is for posting errors, and the LPANEX3 is for transactions that were charged the ISA fee.

MONTHLY DIVIDEND/INTEREST ACCRUAL PROCESSING

Certificates

Each day CU*BASE accrues dividends based on the dividend rate on the member's account. During our Beginning-of-Day processing, the system will automatically post the accrued dividends for you, debiting the expense GL and crediting the accrual GL as configured in the Certificate Type configuration (MNCNFA, Option #2). Generally, all share certificates will post to the same general ledger account number and all IRA certificates post to a general ledger number different from regular certificates.

To verify where the accruals are posting, print the Certificate Configuration Report from MNCNFX, Option #16.

When the dividends are scheduled to pay, the member record is credited and the accrual GL is debited.

Loans

Each day, CU*BASE accrues interest based on the interest rate on the member's account. During our Beginning-of-Day processing, the system will automatically post the accrued interest for you, debiting the accrual GL and crediting the income GL that has been assigned to that loan category. Each loan category is assigned a unique principle, income, and accrual general ledger number. The loan department manager at your credit union will be able to tell you what these general ledger numbers are. Loan Category configuration can also be printed from MNCNFX, Option #18.

Generally, when the member makes a payment, accrued interest is credited first with the remainder credited to principle. The payment matrix set up for each loan category will determine the order in which principle, interest, fines, and escrows are credited.

Shares

Simple Daily Calculation

If your credit union uses the simple daily interest calculation, CU*BASE has been configured to process dividend accruals on a daily basis. During our End-of-Day processing, the system will accrue dividends for the member based on the current dividend rate for that share product and the balance in the member's account. (To view the current dividend rates for all share products, you can click on the Rate Inquiry icon at the bottom on any CU*BASE menu or print the Share Configuration Report from MNCNFX, Option #17)

Entries will be automatically posted with a debit to the expense GL and a credit to the accrual GL.

When dividends are scheduled to pay, the member's account is credited while the accrual GL is debited.

Average Daily Balance

If your credit union uses the average daily balance method of calculating dividends, there are no daily accrual entries since the average balance for the dividend period is unknown.

For all share products that pay dividends monthly, the system will automatically credit the member's account and debit the expense GL. No journal entry will be required to show your monthly dividend expense.

For share products that pay dividends quarterly, you will need to make a journal entry each of the first two months of the quarter.

To get an estimate of dividends to be paid each month, use the Dividend/Int Base Rate Forecasting option on the Management menu, MNMGMT, Option #3. If you use split rates, Option #4 will assist you in calculating your dividends. Online Help is available to assist you in using these menu options. We recommend you do this forecasting as close to the end of the month as possible.

Once you have determined your estimated dividends, you will need to create and post a journal entry, debiting the expense GL and crediting the accrual GL for each share product. Date the journal entry for either the last day of the current month or the first day of the following month, depending on your posting schedule. (To determine the correct general ledger numbers, you may run the Share Configuration Report from the Share Configuration Menu, MNCNFA, Option #21.)

During the third month of the quarter or at the time dividends post, reverse the journal entries posted during the first two months of the quarter. During our End-of-Day processing on the last day of the quarter, the system will post dividends for the three months, crediting the member, debiting the expense GLs for each of the share products. If your credit union pays dividends on the first of the period, the member accounts will be credited on the first of the period.

Additional Notes

END OF MONTH TASK REMINDERS

Procedures

Each month these steps need to be performed prior to the end of the month. You can sign up through client services to receive a handy monthly e-mail reminder to complete these steps. Simply visit our website at www.cuanswers.com and click the “Sign Up for Newsletters” link.

- 1) **Share Dividend Rates** – Use MNCNFX option #17 to print your Share Dividend configuration report to verify the rates. Use MNMGMT option #2 to schedule future rate changes. If you need to request a dividend rate regeneration/recalculation, contact the CSR department no later than 2 business days before the last day of the month.
- 2) **Loan Variable Rate** – Use MNCNFX option #19 to print your Loan Variable configuration report to verify the rates. Use MNCNFB option #2 to schedule future rate changes.
- 3) **Certificate Base/Variable Rate** – Use MNCNFX option #16 to print your CD Dividend configuration report to verify the rates. Use MNCNFA option #2 Base Rates or option #12 Variable Rates to schedule future rate changes.
- 4) **Audio Response Rates** – Use MNMISC option #5 to update the share, loan and certificate rates in Audio response. This configuration is only needed if your CU has not signed up for text-to-speech IVR features.
- 5) **PC Home Banking Rates** – Use MNCNFB #6 to update the loan rates displayed in PC Home banking.

Additional Notes

END OF MONTH ACTIVITIES

Procedures

Each month these activities need to be performed for End of Month. Keep in mind that CU*BASE allows you to effective date entries in the future for EOM postings as well as allow you to back date entries, as long as the month is not closed.

Special Note: You may run the accruals for your Investments and your Subsidiaries prior to the end of the month as long as no changes are expected because the process allows you to effective date the entries in the future for end of month date.

1) Investments – Post the investment activity for the month (interest payments, accruals) from MNINVS.

Make sure your investment principal, accrual and interest income totals match between your sub ledger and your GL accounts using the totals on the investment trial balance report and your GL financial report.

- a. Reconcile your investment trial balance totals (#23) with your GL
- b. Make any necessary adjustments (#01)
- c. Create/Post workfile (#2)
- d. Post journal entry (#5)
- e. Reconcile your investment trial balance totals (#23) with your GL for your final end of month verification.

2) Subsidiaries – Post the Fixed Asset, Prepaid Expense, and Accrual Expense subsidiary activity for the month (accruals) from MNGGLFA.

Make sure your subsidiary totals match between your sub ledger and your GL accounts using the totals on the subsidiary trial balance report and your GL financial report. Remember to use the sort feature on the trial balance report to sort and break by GL number so that it's easy to match the totals.

- a. Reconcile your subsidiary trial balance totals (#21) with your GL
- b. Make any necessary adjustments (#1 & #2)
- c. Create/Post workfile (#6 & #10)
- d. Post journal entries (#11)
- e. Reconcile your subsidiary trial balance totals (#21) with your GL for your final end of month verification.

3) 90 Day Delinquent Loan Interest – Post the 90 Day Delinquent loan interest amount using the MNGELE menu option #8 Calc/Post Adjustmnt for Delq Lns. Use this to calculate the delinquent amount(s) and create the journal entries to be posted for End of Month plus the reversing entry.

Enter your GL's here: Interest Income GL _____ Accrued GL _____

- 4) Shared Branching** – Run the Xtend Shared branching settlement report from MNGELE #22 as of the month end date to find the credit unions you need to pay. Either an accounts payable check or corporate wire can be used to settle the amounts owed by the 10th of each month.

Note: Settlement information for each credit union can be found on the website xtendcu.com under the shared branching tab.

- 5) Participation Loans (Sold)** – Post the participation loan activity for the month (process payments, create settlement reports) from MNPART.
- a. Create/Review the workfile (#5)
 - b. Make any necessary adjustments in the workfile
 - c. Post workfile (#4)
 - d. Post journal entries (#6)
 - e. Reconcile your participation trial balance totals (#19) with your GL for your final end of month verification.
 - f. Send settlement report/payment to investors
- 6) Average Daily Dividends Paid Quarterly** – Post the estimated monthly dividend expense after using the dividend forecasting tools available on MNMGMT options #3 for base rates and #4 for split rates.
- a. Print Share Dividend configuration (MNCNFA #21)
- 7) Review all Asset and Liability accounts** – Use the balance sheet financial #01 which contains the detail for each account on your chart of accounts to make sure all of your payable accounts go to zero.
- 8) Review all Income and Expense accounts** – Use the income statement financial #02 which contains the detail for each account on your chart of accounts to compare the current account activity with prior month's activity using the financial statement column settings on MNGELE #16. A typical date/column setup would be as follows:
- Start Date = 05/11
 - End Date = 05/11
 - 1st line = C – Current Period (prints May activity)
 - 2nd line = P – Previous Period (prints April activity)
 - 3th line = In the “Math” type 2-1 (prints the balance difference between the amounts in column 2 and column 1)

Note: Pay close attention to fee and dividend accounts especially after your conversion or after a new product has been started.

- 9) Member Account Balances & Accrual Amounts** – Reconcile the member accounts and accruals to the general ledger accounts using the screen display on MNGELE #11 dated the 1st. The picture of the account balances on the 1st day of the new month will represent the balances as of End of Month. If you have branches, turn off the summary view and verify if you balance between the branches. If they are not in balance, make the appropriate journal entries to re-class the amounts between the branches.
- 10) Credit Union Cash** – Reconcile credit union cash to GL 739-00 using the screen display on MNGELE #12, F9 dated the last day of the month. This screen compares the cash tracked by the teller system to the balance in GL 739-00 by branch.
- 11) Charged Off Loan Activity** – Run the general transactions register located on MNRPTC #8 to find the member account activity for GL 719-00. Simply enter the following parameters to get a report for last month. This example is for April 2011.
- File Type = E (End of Month)
 - File Date = April 2011
 - G/L account # = 719.00
- Note: This report will locate the transaction details posted to member accounts which are listed in the GL history. You may need to use detail from the GL history to locate activity that is not posted to the member accounts such as M/R miscellaneous receipt payments or manually posted journal entries.
- 12) Financial Statements** – Generate the summarized balance sheet and income statement using MNGELE #16 for your board reports. Remember to unselect these options to get the best results from these summarized reports:
- Print zero balances
 - Print G/L account #
- Remember to select this option:
- ✓ Print accounting format
- 13) Close GL Books** – Once your financial statements are completed for the board, use MNGELE #7 to close the month so that no more entries can be made for that month. The best time to run this option is first thing in the morning so that you don't get a system message from staff working in the general ledger screens.
- Corp ID = 01
 - Click on "Reorganize G/L history file also"

Generating Reports

Each month, CU*Answers will generate the following reports for you. These can be viewed in CU*SPY under the 'End of Month Processing' tab. They are also included on your CD-ROM. These reports are listed below. You may also run these reports on demand.

⇒ **NOTE: Self-processing clients must generate their own End-of-Month Reports using the options and procedures listed below.**

Closed Accounts	LCLAC	MNRPTB, Option #7
Closed Member List	LCLMB1	MNRPTB, Option #6
IRA Activity Report	LIRACT	MNRPTE, Option #18
Loan Interest Analysis	LLNIA	MNRPTD, Option #4
Loan Purpose Analysis	LLNTP	MNRPTD, Option #2
Loan Security Code Analysis	LLNSC	MNRPTD, Option #3
Member Account Adjustments	LTRAN	MNRPTC, Option #9
Monthly Collection Delinquency	LDQAN2	MNCOLL, Option #19
Monthly Delinquency Analysis Report	LDQAN3	MNCOLL, Option #18
New Account List	LNWAC	MNRPTB, Option #5
New Member List	LNWMB	MNRPTB, Option #4
New/Refinanced Loan History	LNDB	MNRPTE, Option #3
General Ledger Trial Balance (for prior month)	LGLETB	MNGELE, Option #17
Member Trial Balance – Detail	LMBRT	MNRPTB, Option #2
Delinquent Loan Interest	LMBRT	MNRPTE, Option #2

To print End-of-Month reports, here are the steps that should be followed. Throughout these instructions, XX refers to your 2-character credit union ID with CU*Answers.

Run the report(s) to printer MONTHXX which will write out to our end of month CD-ROM for archiving. Run the reports a second time to your printer if you need a hard copy for your internal end of month packet.

Reports in the MONTHXX outque will be moved to CD-ROM after the 10th of each month so make sure all of your reports are completed by the 10th of the month.

The options for generating End-of-Month reports are found in MNPRTC, Option #16. If you wish to make any changes, please contact your Conversion Coordinator or Client Services. Our Client Service staff can assist you with your changes.

Optional End of Month Reports You Can Run

Report Title	Generated Via
Analysis by Account	MNRPTC, Option #11
Audio/Home Banking Statistics	MNMISC, Option #7

Delinquent Loan Interest	MNRPTE, Option #2
(select Delinquency Tab, enter Low & High months, usually 3 and 999)	
Employee and/or Director Loans	MNRPTB, Option #1
Supervisory Override Report	MNRPTB, Option #27
CD Maturity Report	MNRPTB, Option #13
Fee Waiver Report	MNRPTC, Option #27
Check Processing Statistics Report	MNSDAT, Option #12
Loan to Share Trial Balance Review (ratios)	MNMGMT, Option #18
(use same date for Record Date and Comparison Date for monthly totals)	

CALL REPORT

CU*BASE can provide most of the information you will need to complete your 5300 NCUA Call Report. Below is a list of reports that will help you gather the data you need for your Call Report.

CU*BASE offers you the ability to enter the call report data onto CU*BASE and upload the data to the NCUA. Please refer to “The 5300 Call Report & CU*BASE Tools” documentation located on our website at www.cuanswers.com.

CU*SPY reports: When using this product to print reports, remember to use the PDF view option for the report to print correctly on your printer.

Report Title	Generated Via	Comments
Balance Sheet	MNGELE, Option #16	
Income Statement	MNGELE, Option #16	
Employee Loan Accounts	MNRPTB, Option #1	Enter Employee Type Code used to designate employees; Turn on App Type flag for both LN & OC
Member shares/loans(count/total)	MNRPTC, Option #11	Run report on demand for EOM totals or use the LGLACT1 report in CU*SPY dated 1 st day of new month
Shares over \$100,000	MNRPTD, Option #1	Aggregate share information (exclude IRAs)
IRA/CD's over \$100,000	CU*SPY	PREGD report located in the Member Service section
Loan Security Analysis Report	MNRPTD, Option #3	Loans totals by Security Codes
Contingent Liability Report	MNRPTD, Option #7	Unused credit limit amounts; Select Summary; Use SD acct w/negative balance limit
CD Maturity Report	MNRPTD, Option #10	
Membership Analysis Report	MNRPTD, Option #13	Use Report option 0=Include Written Off Loans in Total
NCUA Share Insurance Report	MNRPTD, Option #14	Reporting period = EOM; Select Summary; Use report option 0=Only Mbrs w/uninsured funds
Loan Maturity Report	MNRPTE, Option #2	Enter category desired and maturity date range
Delinquency Report	MNCOLL #19	Select Include 1 to 2 months Call Report term; Select Summary

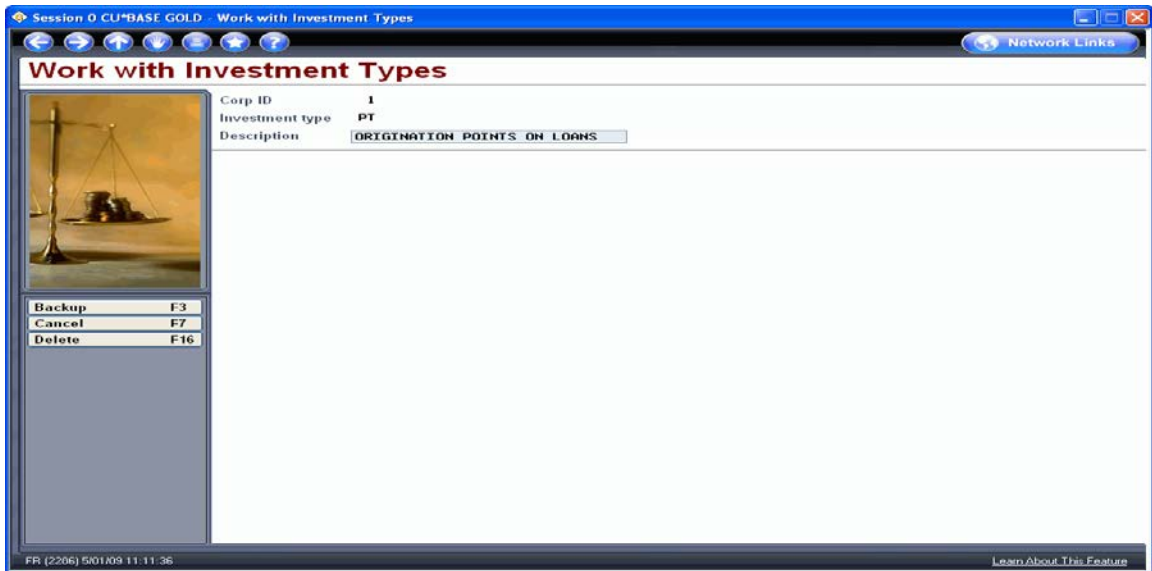
MORTGAGE POINTS

If your credit union sells mortgage points, you will be able to track these points using the Investment Subsidiary.

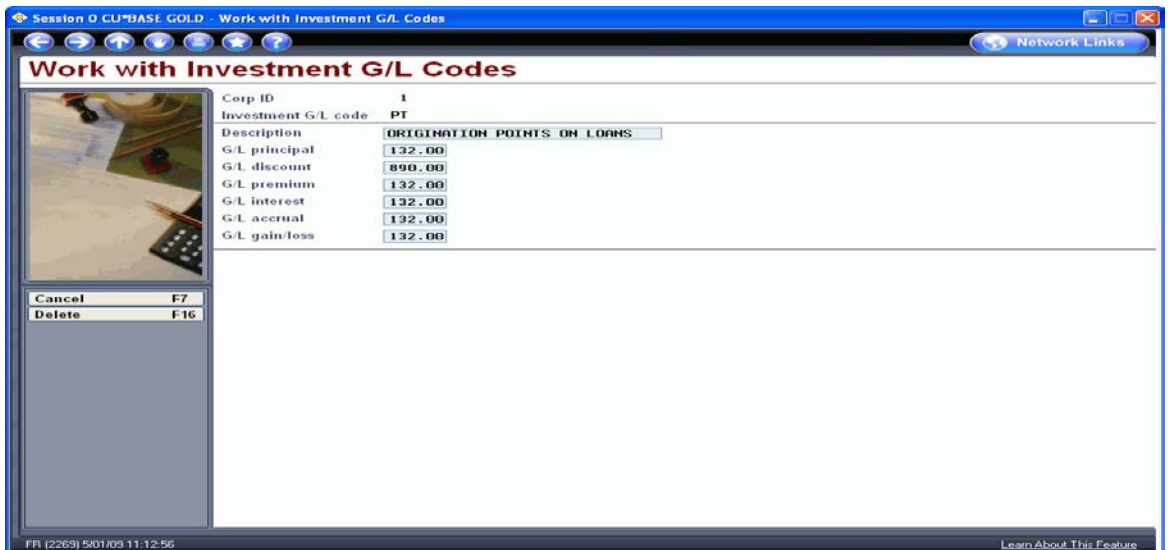
Follow these steps to set up the loan in the Investment Subsidiary:

Create a GL account number 890.00, "Points on Loans" and an income GL account "Loan Origination Fees" using Menu MNGELE, Option #2

Create an Investment Type, PT, "Origination Points on Loans" using Menu MNINVS, Option #16



Create a GL Code, PT, "Origination Points on Loans" using Menu MNINVS, Option #17



Create the investment item for the loan based on the screen prints below. The amount of the points is entered as the Face Value.

Session 1 CU*BASE GOLD - Work with Investments

Work with Investments CHANGE

Corp ID Investment ID Description Investment type

Investment/Maturity | Contact Information | Accounting Miscellaneous

FASB Face value

Miscellaneous information

Coupon rate Projected yield Credit rating

of units Current unit price Quote date [MMDDYYYY]

Settlement price **Maturity and Review Information**

Settlement date [MMDDYYYY] Mature date [MMDDYYYY]

Purchase date [MMDDYYYY] Review date [MMDDYYYY]

For investment comments and additional information press F1 or click

Go!

To view subsidiary history press F12 or click Go

PR (2293) 7/05/11 11:42:04 Learn About This Feature

The item will not accrue and should be coded as a discount, with the monthly amount inserted. Divide the total amount of the points by the term of the loan to find the monthly amount.

Session 1 CU*BASE GOLD - Work with Investments

Work with Investments CHANGE

Corp ID Investment ID Description Investment type

Investment/Maturity | Contact Information | Accounting Miscellaneous

G/L Accounts Used

G/L code	Discount	Last accrued	<input type="text" value="Jun 30, 2011"/> [MMDDYYYY]
Principal	<input type="text" value="890.00"/>	Premium	<input type="text" value="132.00"/>
Income	<input type="text" value="132.00"/>	Accrual	<input type="text" value="132.00"/>
Gain/Loss			

Income calculation type

Accrual income based on

Monthly amount

Variable rate code Variable rate date [MMDDYYYY]

For investment comments and additional information press F1 or click

Go!

To view subsidiary history press F12 or click Go

PR (2293) 7/05/11 11:42:04 Learn About This Feature

When performing the open function you will post the point amount by crediting the Discount Balance and debiting the Income GL; delete this journal entry if applicable.

FORMS

CU*Answers has included some forms we thought you might find helpful. Any of these forms can be requested from Client Services and either emailed to you or sent to you on a diskette.

We also have available an Excel spreadsheet for Vault inventory and reconciliation. Please contact Client Services if you would like this spreadsheet.

ATM/Debit Balancing Form

(Non-Terminal Owner)

Business Date: _____

CU*Answers Totals	W	<input type="text"/>	<input type="text"/>	D
<i>LPANTX2 or G/L TR totals</i>				
CU*Answers Timing Differences				
<i>LPANTX2</i>				
Current Day	D	<input type="text"/>	<input type="text"/>	W
Previous Day	W	<input type="text"/>	<input type="text"/>	D
Co-op Settlement		<input type="text"/>	<input type="text"/>	
		<i>EFBPT030-RP01</i>		<i>(Post to ATM/Debit G/L)</i>
		<i>(Automated Funds Movement Entry)</i>		
Adjustments		<input type="text"/>	<input type="text"/>	
Totals		<input type="text"/>	<input type="text"/>	

* Use the General Ledger Balance after you post the Co-op Settlement figure from above.

General Ledger Balance	*	<input type="text"/>	
CU*Answers Current Day Timing		<input type="text"/>	(dep - wd)
	(subtract)		
Total s/b 0		<input type="text"/>	

ATM/Debit Balancing Form

(Terminal Owner w/Window difference)

Business Date: _____

CU*Answers Totals	w	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	D
		<i>LPANTX2 or G/L TR totals</i>		
CU*Answers Timing Differences				
		<i>LPANTX2</i>		
Current Day	D	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	w
Previous Day	w	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	D
Co-op Settlement			<input style="width: 100%;" type="text"/>	post
<i>EFBPT030-RP01</i>		<i>(Automated Funds Movement Entry)</i>		
			post	<input style="width: 100%;" type="text"/>
		<i>(Automated Funds Movement Entry - Spons Srchg)</i>		
Co-op Settlement Timing Difference				
		<i>EFBPT030-RP01 (Window Difference)</i>		
Current Day	dr	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	cr
		<i>(Today's Susp)</i>		
Previous Day	cr	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	dr
		<i>(Prev Susp)</i>		
		<i>(Net Fees from bottom of page)</i>		cr
Terminal Withdrawals			<input style="width: 100%;" type="text"/>	post
		<i>CU Terminal Totals</i>		
Terminal Deposits		<input style="width: 100%;" type="text"/>		
		<i>(M/R - deposits posted by Tellers)</i>	<i>CU Terminal Totals</i>	
Terminal Timing Differences				
		<i>EFBPT030-RP01</i>		
Today's Suspense	dr	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	cr
		<i>(+Total New Suspense)</i>		
Previous Suspense	cr	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	dr
		<i>(-Total Previous Suspense - flip totals)</i>		

Adjustments

Totals

* Use the G/L Balance after you post the Co-op Settlement and ATM W/D figures from above.

General Ledger Balance

*	

CU*Answers Current Day Timing

- (d-w)

Terminal - Today's Suspense

- (dr - cr)

Total s/b 0

