How to Fix the 6 Most Common Mistakes Writing Credit Union Policies & Procedures

Al Rosenbaum, EVP Customer Success, SilverCloud

CALLAHAN & ASSOCIATES
the credit union company

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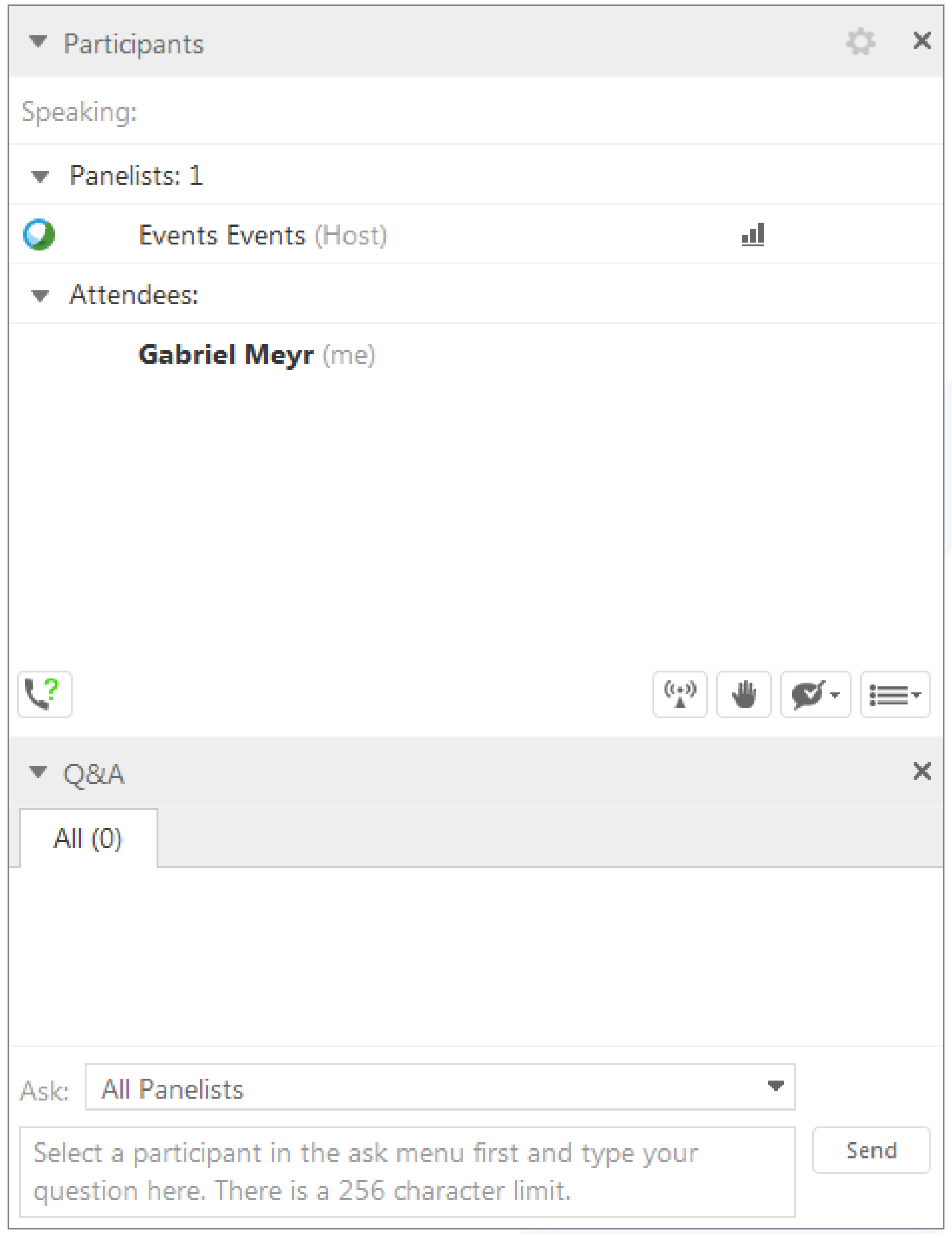
Slide Link

Today's slides can be found online at:

http://bit.ly/2019-03-06-SilverCloud

We Encourage Questions



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Questions Box

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Exclusive Webinar Event

How to Fix the 6 Most Common Mistakes Writing Credit Union Policies & Procedures

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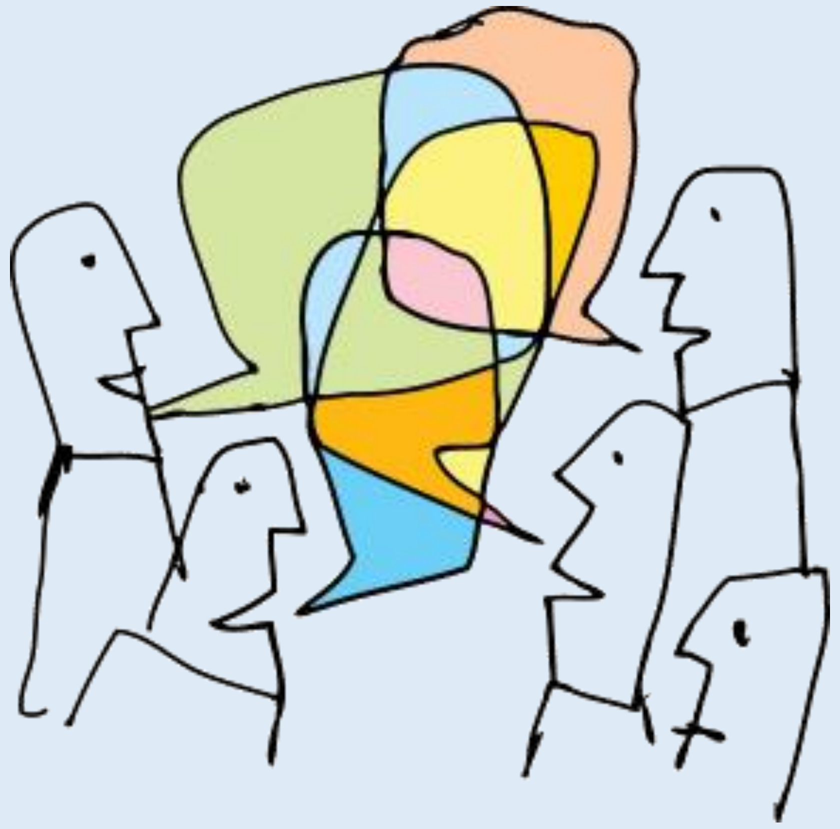
The 6 Most Common Mistakes

1. Vague or complex titling
2. Duplicating information
3. Incorrect procedure flow
4. Putting policies & procedures together
5. Compliance confusion
6. Too long, complicated, & missing links

Multiple Versions of the Truth

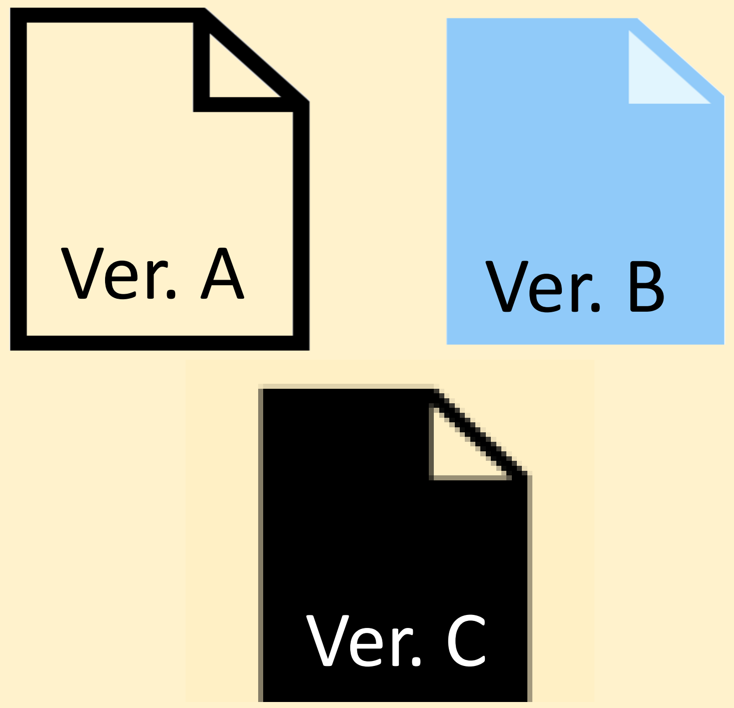
How it happens



Tribal Knowledge

- Can’t ***find, follow*** or ***use*** in the moment
- Ask 3 people, get 3 different answers

Old versions still “live”



Lack of version control (SMEs)

Mistake #1

Vague or Complex Titling

Titling – The Root Of Search

How you title your content matters.

- Banks and credit unions spend hours working on policy or procedure content, but little time on titling. Titling directly impacts searchability and ease of understanding.
- Ineffective titling = vague or overly complex, e.g. "Cards" or "Credit Cards"
- Such titles leave the frontline employee wondering - Am I Issuing a card? Am I closing a card? Am I re-printing a card? Am I shutting a card off due to fraud?

THE FIX

- Write titles that are clear and specific, i.e. something a 7th grader could understand.
- Titles should clearly explain what action(s) you can take with this specific type of content – e.g. How to issue a new credit card, How to shut off a credit card

Examples of Effective Titling

Vague / No Suggested Action		Specific / Explains the Action
“Cards”	→	How do I issue a new credit card?
“Credit Cards”	→	How do I shut off a credit card?
”IRA”	→	How do I open a new IRA?

Mistake #2

Duplicating information

Making Changes To Processes Across Multiple Procedures

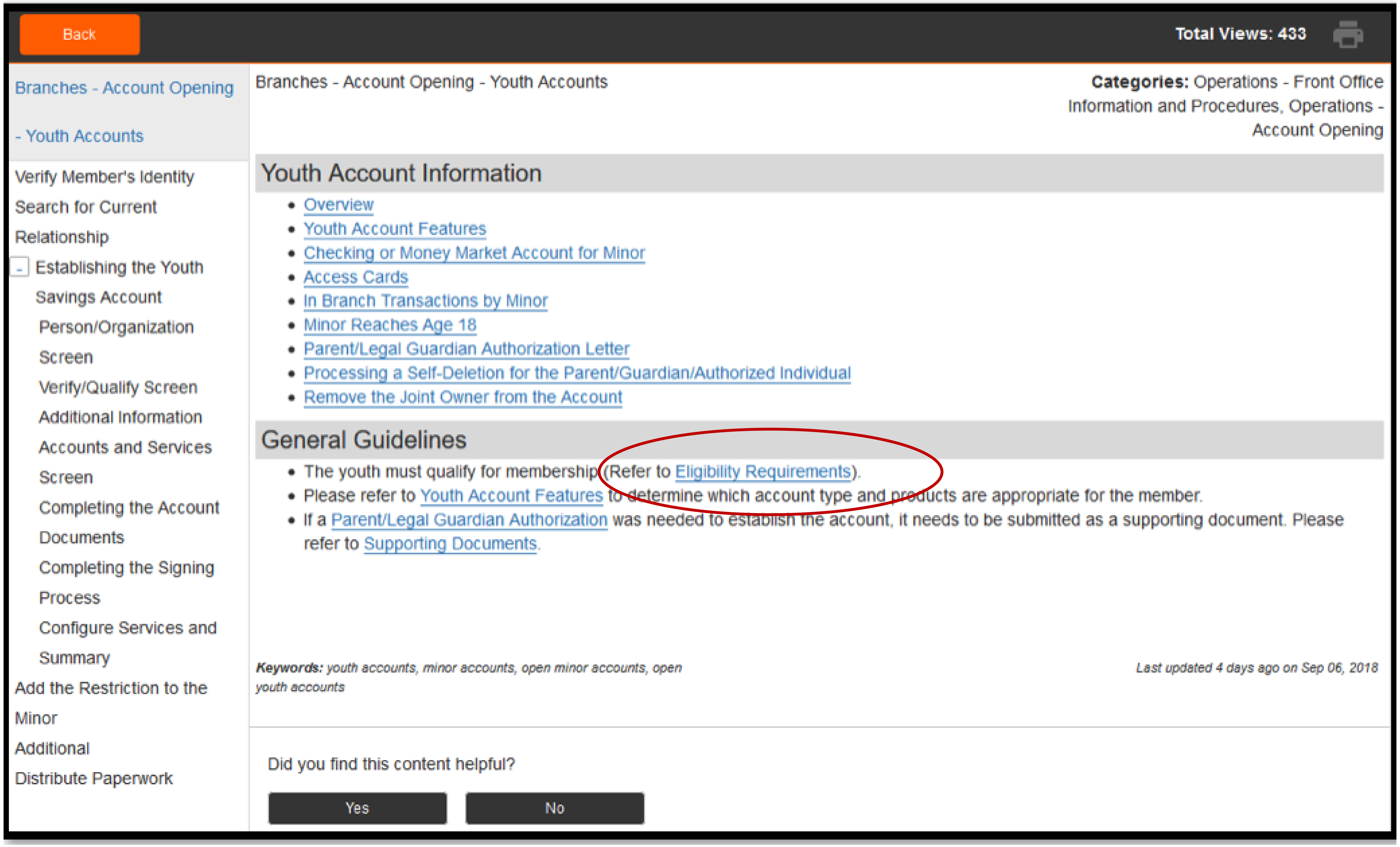
When a sub process is embedded in many procedures, changes become a challenge

- Common banking processes are housed in multiple procedures (i.e. verifying a member or CIP or ID Scanning, and forms)
- When these specific processes are not centrally contained within ONE version of the truth, making simple changes poses risks and leads to inaccurate information

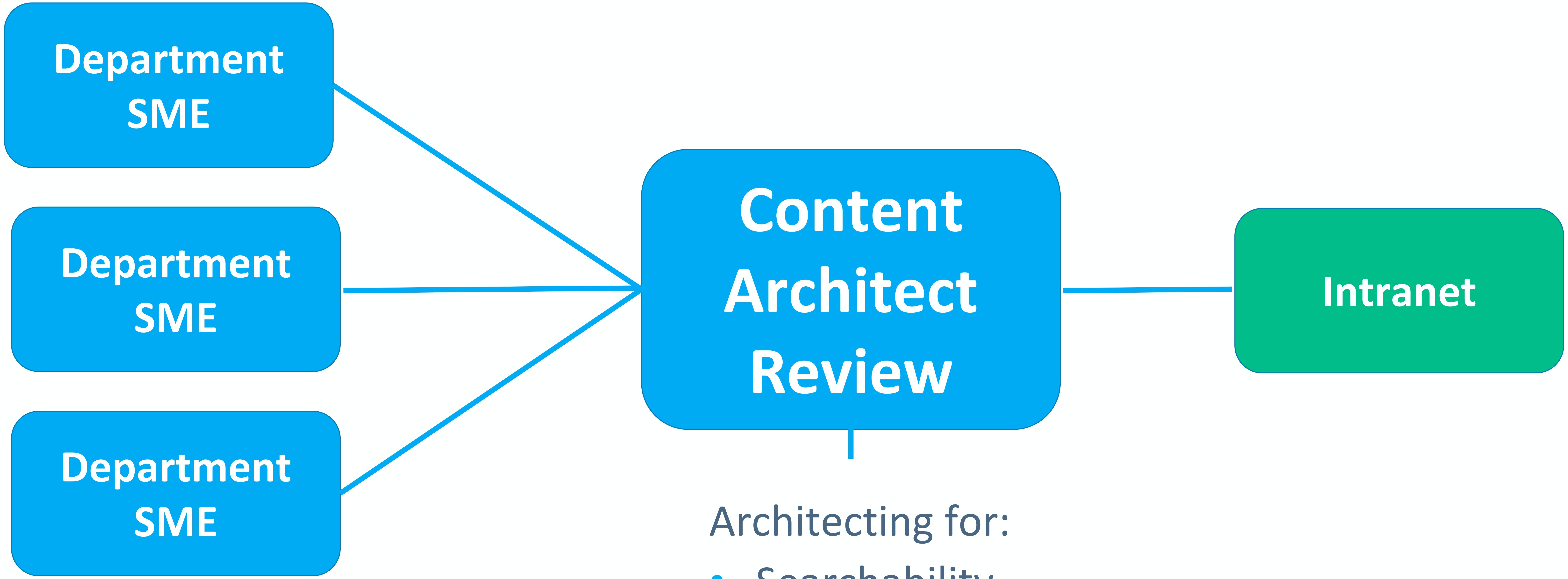
THE FIX

- Create links to specific information while housing that information in one central place
- Make changes once and have them dynamically update everywhere

Example Of Effective Linking



Centralized Content Assembly Line



Architecting for:

- Searchability
- Understanding
- Next review date
- Accuracy & Approval

Mistake #3

Incorrect procedure flow

Evaluating The Flow Of Your Procedures

When creating a procedure, the flow of each step is very important

- Imagine following a recipe that has all of the ingredients and steps but doesn't define the order in which to follow them
- It becomes another friction point where employees stop being self-sufficient and start asking your SMEs (leading to even more versions of the truth)

THE FIX

- Break content down into individual steps within a procedure
- Have a process for testing and approving the procedures each time it changes
- Have a process for employee feedback

The Before

Search this site

Enter one or more keywords to search for using the Zoom Search Engine.
Note that '*' and '?' wildcards are supported.

Search for: open new account × Submit Results per page: 10

Match: ◉ any search words ○ all search words

Search results for: open new account

166 results found containing all search terms. 783 results found containing some search terms.

95 pages of results.

1. 9-007
... to be processed. Transferring Open End Loans can only be ... , and reassignment of a new member number is established. ... closure of a primary membership account, and reassignment of a ...
Terms matched: 3 - Score: 1449 - 6 May 2014 - URL: file://fresnocfcu/fcfcu/WebDocs/Procedures%20-%20Lending/9-021.doc

2. 1
... is to establish guidelines for opening new memberships. Requirements The ... must be completed before an account can be opened: Establish ... eligibility Obtain valid picture ID (unexpired government issued identification such ...
Terms matched: 3 - Score: 1183 - 16 Oct 2014 - URL: file://fresnocfcu/fcfcu/WebDocs/Procedures%20-%20Branch%20Ops/2-046.doc

3. 1
... Procedure The process of opening new memberships through the Credit ... Direct Lending (CUDL) program. Description The credit union ... by opening a share savings account and to obtain vehicle loan ...
Terms matched: 3 - Score: 913 - 5 Dec 2013 - URL: file://fresnocfcu/fcfcu/WebDocs/Procedures%20-%20Branch%20Ops/6-013.doc

4. 1
... Financial Service staff during the opening of new memberships and accounts ... Any supporting department that engages in financial transactions with members and ... will also be required to use this procedure to screen the ...
Terms matched: 3 - Score: 682 - 9 Dec 2014 - URL: file://fresnocfcu/fcfcu/WebDocs/Procedures%20-%20Branch%20Ops/2-017.doc

5. 1
... Disclosure – if member is opening IRA Certificate If member opens ... NEW ROTH IRA Forms: Form 2400R- Roth IRA ... : 1. In the Accounts area, click on the ...
Terms matched: 3 - Score: 669 - 6 Aug 2009 - URL: file://Fresnocfcu/fcfcu/WebDocs/Procedures%20-%20Branch%20Ops/2-024%20Roth%20IRA%20rev6_09.doc

6. WX_Overview.pdf
... ® from Fiserv Field Description OPEN BAL STATUS Time (hh ... of Change 1 Jul 2005 New manual 2 Oct 2008 Updated ... . 16 Viewing the Fed account balance.... ...
Terms matched: 3 - Score: 644 - 6 Mar 2012 - URL: file://Fresnocfcu/fcfcu/WebDocs/References%20-%20Operations/WX_Overview.pdf

7. CREATING AND PROCESSING NEW MEMBERSHIP CARDS ONLINE
... : Trust Accounts You will open the account as you do ... CREATING AND PROCESSING NEW MEMBERSHIP APPLICATIONS IN IMM MAY 2014 ... applications for these: Trust Accounts You will open the account ...
Terms matched: 3 - Score: 587 - 22 Sep 2014 - URL: file://fresnocfcu/fcfcu/WebDocs/HowTo/CREATING%20AND%20PROCESSING%20NEW%20MEMBERSHIP%20CARDS%20ONLINE%201.pdf

8. Message Format Specifications
... QualiFile® service automates account openings, minimizes risk and maximizes ... 1.0 QualiFile® Version N001 New AccountChexSM Version V006 Version: ... Description Version 1.0 Updated screens Account Action Text Updated the note ...
Terms matched: 3 - Score: 562 - 6 Aug 2009 - URL: file://Fresnocfcu/fcfcu/WebDocs/References%20-%20Operations/Efunds%20Qualifile%20User%20Guide.pdf

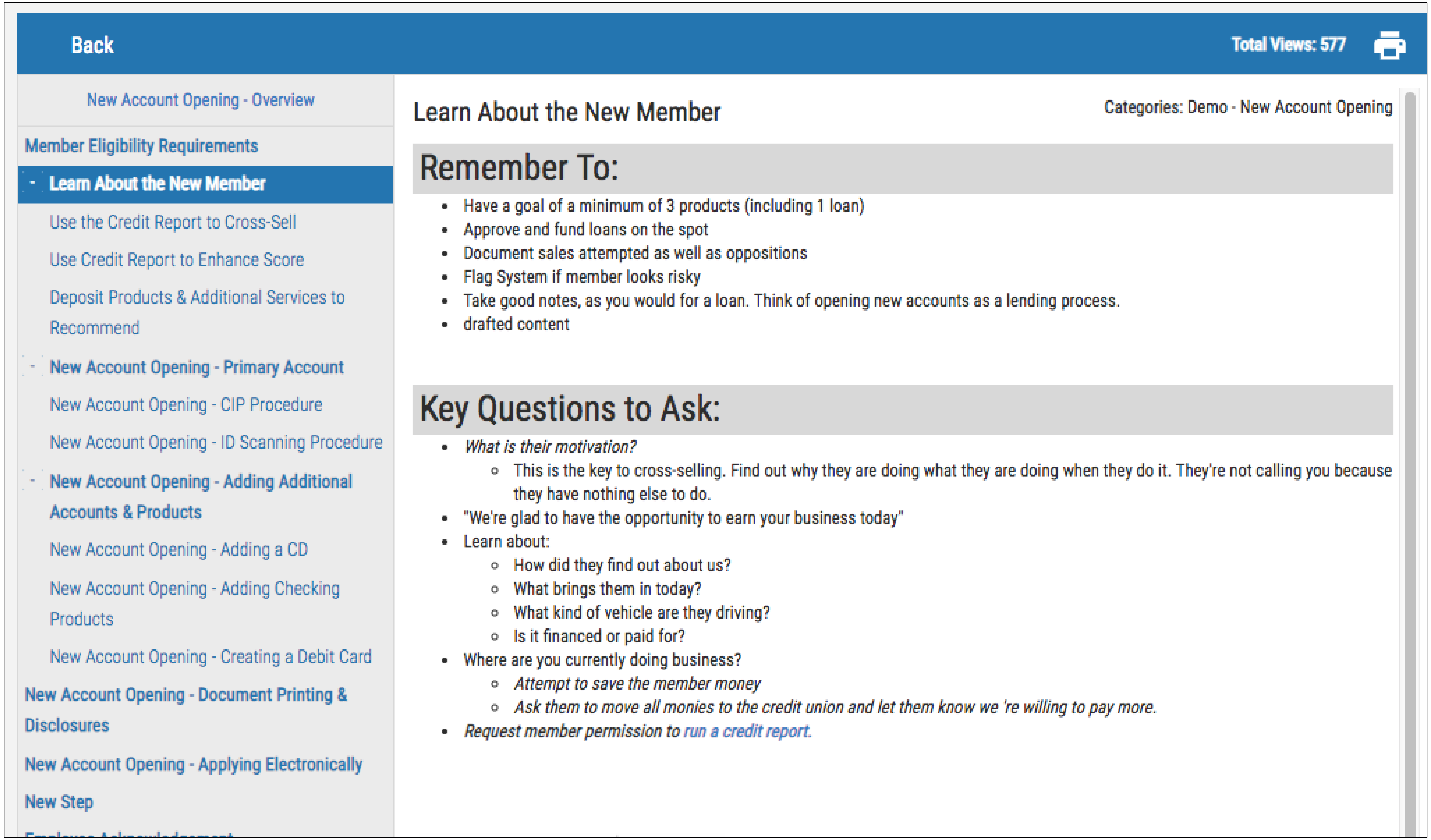
9. 1
... as legal personalities) that open a new Account; and ...) An individual who opens a new account for: i ... each person on a joint account is considered a separate customer ...
Terms matched: 3 - Score: 559 - 11 Mar 2010 - URL: file://Fresnocfcu/fcfcu/WebDocs/Procedures%20-%20Branch%20Ops/3-004%20CIP%20rev03_10.doc

10. 1-043
... the time the account was opened or at any subsequent time ... blocked funds. Screen all new account members against the most ... designee will monitor for suspicious account activity and activity involving high ...
Terms matched: 3 - Score: 555 - 20 Oct 2014 - URL: file://fresnocfcu/fcfcu/WebDocs/Policies/1-043.doc

Result Pages: 1 2 3 4 5 6 7 8 9 10 11 Next >>

Search powered by Zoom Search Engine

The After


Back
Total Views: 577
New Account Opening - Overview
Member Eligibility Requirements
Learn About the New Member
Use the Credit Report to Cross-Sell
Use Credit Report to Enhance Score
Deposit Products & Additional Services to Recommend
New Account Opening - Primary Account
New Account Opening - CIP Procedure
New Account Opening - ID Scanning Procedure
New Account Opening - Adding Additional Accounts & Products
New Account Opening - Adding a CD
New Account Opening - Adding Checking Products
New Account Opening - Creating a Debit Card
New Account Opening - Document Printing & Disclosures
New Account Opening - Applying Electronically
New Step
Learn About the New Member
Categories: Demo - New Account Opening
Remember To:
Have a goal of a minimum of 3 products (including 1 loan)
Approve and fund loans on the spot
Document sales attempted as well as oppositions
Flag System if member looks risky
Take good notes, as you would for a loan. Think of opening new accounts as a lending process.
drafted content
Key Questions to Ask:
What is their motivation?
This is the key to cross-selling. Find out why they are doing what they are doing when they do it. They're not calling you because they have nothing else to do.
"We're glad to have the opportunity to earn your business today"
Learn about:
How did they find out about us?
What brings them in today?
What kind of vehicle are they driving?
Is it financed or paid for?
Where are you currently doing business?
Attempt to save the member money
Ask them to move all monies to the credit union and let them know we 're willing to pay more.
Request member permission to run a credit report.

Sharonview Federal Credit Union: Case Study

SHARONVIEW®
FEDERAL CREDIT UNION

"Before we had an old master guide to which it was hard to hold people accountable. We cleaned up the process and how it was documented and took away the excuse and **we've noticed for complex procedures, our exception reports have gone way down."**

Rosalyn Hudson, AVP of Member Services
Sharonview Federal Credit Union

Mistake #4

Putting policies & procedures together

Separating Policies & Procedures

Biggest complaint: information is too long and overwhelming

- Intermixing policy and procedure information within the same document makes it easy on the content creator, but difficult for your employees
- Harder to find and follow – can't easily tell where one part ends and the other begins

THE FIX

- Separate out policies and procedures
- Use links to bring employees to either when the information is needed
- Enables SMEs to update both sets of information easily and accurately

Secured Loans – Policies & Procedures

Secured Loans

Overview

First Financial offers loans to its depositors that are fully secured by a Savings or Certificate of Deposit account. The loan amount plus the interest cannot exceed 90% of the account balance. Secured Loans are disbursed by the branches.

During the term of the loan:

- ✓ The balance in a savings account equal to the outstanding loan amount plus interest is not available for use to start. As payments are made the balance becomes available.
- ✓ The balance in a CD account for the full loan amount plus interest is not available for use until the loan is paid off.

Typical Employee Search For “Open a New Business Account”

Retail Banking

Bus_Card_Order_Form (1 pp)

Training

Bus_Accounts_HelpGuide (2 pp)

Commercial Banking

Bus_Accounts_Orgination (24 pp)

Marketing

Bus_Account_Placement (3 pp)

Retail Ops

Bus_Accounts_Guidelines (13 pp)

Compliance

Bus_Accounts_Auditing (2 pp)

Deposit Ops

Bus_Account_Checklist (1 pp)

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Compliance

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NEW REQUIREMENT* (5/11/2018) Beneficiary Rule. (6 pages)

Deposit Ops

Bus_Account_Checklist (1 pp)

How To Merge Policies & Procedures

Back

Total Views: 482

Business Account Procedure

Application Requirements Page

Custom Questions Page

Business Information Page

Applicant Information Page

Underwriting Page

Qualifications Page

Account Information Pages (Checking and Savings)

Account Funding Page

Finalize Page

Business Account Origination - Letters / Docs Page

Business Account Procedure

Categories: Business Accounts Demo

1. Obtain documentation verifying the business.
    - Refer to Business Account Checklist

      ```
      NEW REQUIREMENT* (MAY 11, 2018)
      Does the Beneficiary Rule apply?
      ```
2. Determine if the business is a Membership Partner.
    - If the Organization is NOT a Membership Partner, determine if they meet the qualifications and discuss the benefits of becoming one.
        - Qualifications:
            - Must have a minimum of 5 employees and/or members or volunteers
            - Business location must be within a 100 mile radius of a branch and have a physical address.
        - For additional information refer to eNews > Departments > Member Services > Membership Partner.
3. Provide the required disclosures.
    - Business Account and Electronic Services Agreement
    - Business Account Schedule of Fees and Services
4. Provide product and service information. ? Account balance requirements and maintenance fees (if applicable) ? Account related features ? Benefits associated with the account ? Account related services and fees (if applicable)
5. Ask the business member if he/she would like Business Night Deposit access. Complete a Business Night Deposit Agreement (eNews Forms & Documents) if any of the following applies to the business:
    - Night drop deposits will consist of large cash/check amounts (over $5,000)
    - Frequent deposits will be made into the Night Depository (i.e., daily; weekly; biweekly)
    - Business member will be given a key for the Night Depository
6. Obtain valid ID from the applicant (s).
    - Verify the picture, signature and expiration date.
7. Verify LLCs and Corporations (Inc) on the Secretary of State website.
    - Print the page verifying the officers and active status of business.
    - The Secretary of State printout should match the information given by the applicant (s).
8. Verify that at least one Authorized Officer/Agent 's (the Sole Proprietor on a Sole Proprietorship) personal accounts are in good standing.
    - Search for the person then review Relationship Profile.
    - Before a business account can be opened, an authorized Officer/Agent must become a member or the business must be a Membership Partner.

Mistake #5
Compliance confusion

Summarizing Compliance Language Effectively

Separate the HOW from the WHY

- Compliance is important – no argument there
- Yet sometimes compliance language becomes confusing to a frontline employee if they're trying to complete a procedure
- Plus, your frontline doesn't need all of the same information as the back office

THE FIX

- Summarize the compliance language and link to the full text of those statements
- Separate the HOW from the WHY - what do you need them to do is most important
- Make information user specific

The Before

OFAC Verification

PROCEDURES BY DEPARTMENT/FUNCTION

Retail Branches/Deposit Services

OFAC checks are required to be completed by the Retail Banking Staff for the following transactions:

- Non-customers cashing on-us checks over $1,500
- Cash Advances for non-customers (all dollar amounts)
- Payee on Official Checks*
- Payees on Certified Checks

*All bank checks issued will automatically be OFACed on the Insight system at the time of the transaction.

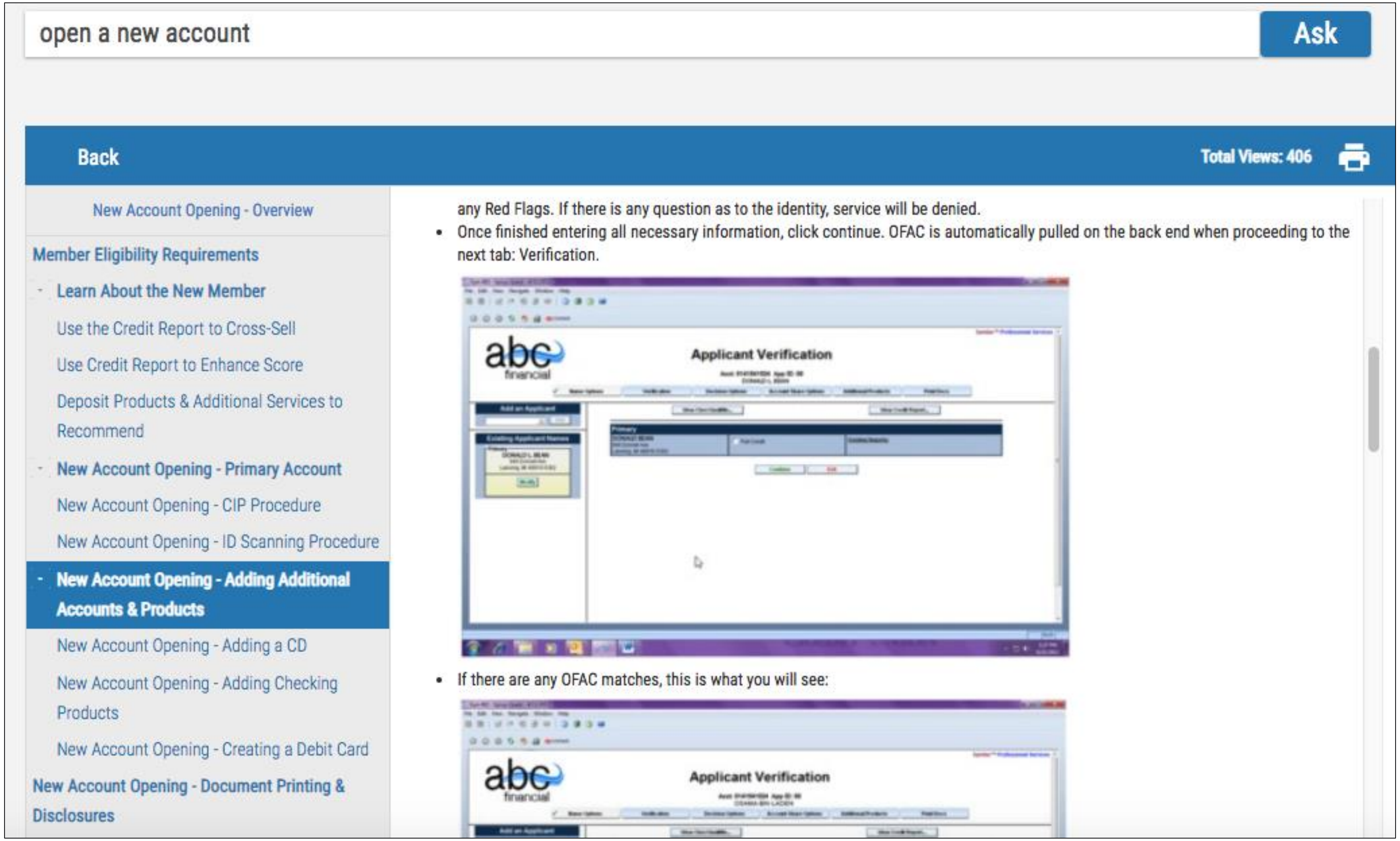
A Watchlist Result within Insight that generates a ***hit*** will require a **Supervisor Override** and should be handled in the following manner:

- When you receive a "hit" that is a False Positive, while creating a New Person or Org, or issuing an Official Check in Insight, you must address the "hit" and enter an Override Note. The following are examples of False positive notes:
  - False positive – name not a match
  - False positive – DOB not a match
  - False Positive – SS# not a match
- If the "Hit" is not an obvious False Positive, call the Risk and Compliance Department immediately.

►Individuals added to Insight through the New Person Wizard - for the purpose of a new account relationship, new non-customer on-us check cashing over $1500 and non-customer cash advances:

The After

OFAC Verification



Mistake #6

Too long, complicated, and missing links

Too Large To Understand, Too Hard To Find Answers

Use links to make policies and procedures more digestible

- When an employee needs to get information quickly the last thing they want to do is open a 200-700+-page manual and start sifting through to find the answer

THE FIX

- Use a single portal to centralize information, not a single document
- Convert existing long procedures into consumable pieces of information for your employees to use everyday
- Use links to shorten procedures and make them easy to digest

The Before

- 700 page manual
- Lots of overlap
- 212 individual procedures

OPERATIONS MANUAL	Effective Date: 05/08/2014 Prior Revision: 04/15/2014 Last Review: 05/08/2014
Captured ATM/Debit Cards	Page **1** of **4**

Purpose

In an effort to protect the credit union, members, and non-members against the mishandling of captured ATM, Debit, or Credit Cards, the credit union has adopted the following practices. **The handling of all captured cards must be done in dual control and in the presence of a manager or Senior MSR.** All captured cards are to be secured in the vault under dual control. The captured card activity log(s) does not have to be locked in the vault during business hours. The captured card log should only be accessed by employees and kept in a secure area during branch hours.

Self Serviced ATMs

The following must be done when a captured card is found when balancing an ATM or is retrieved during business hours.

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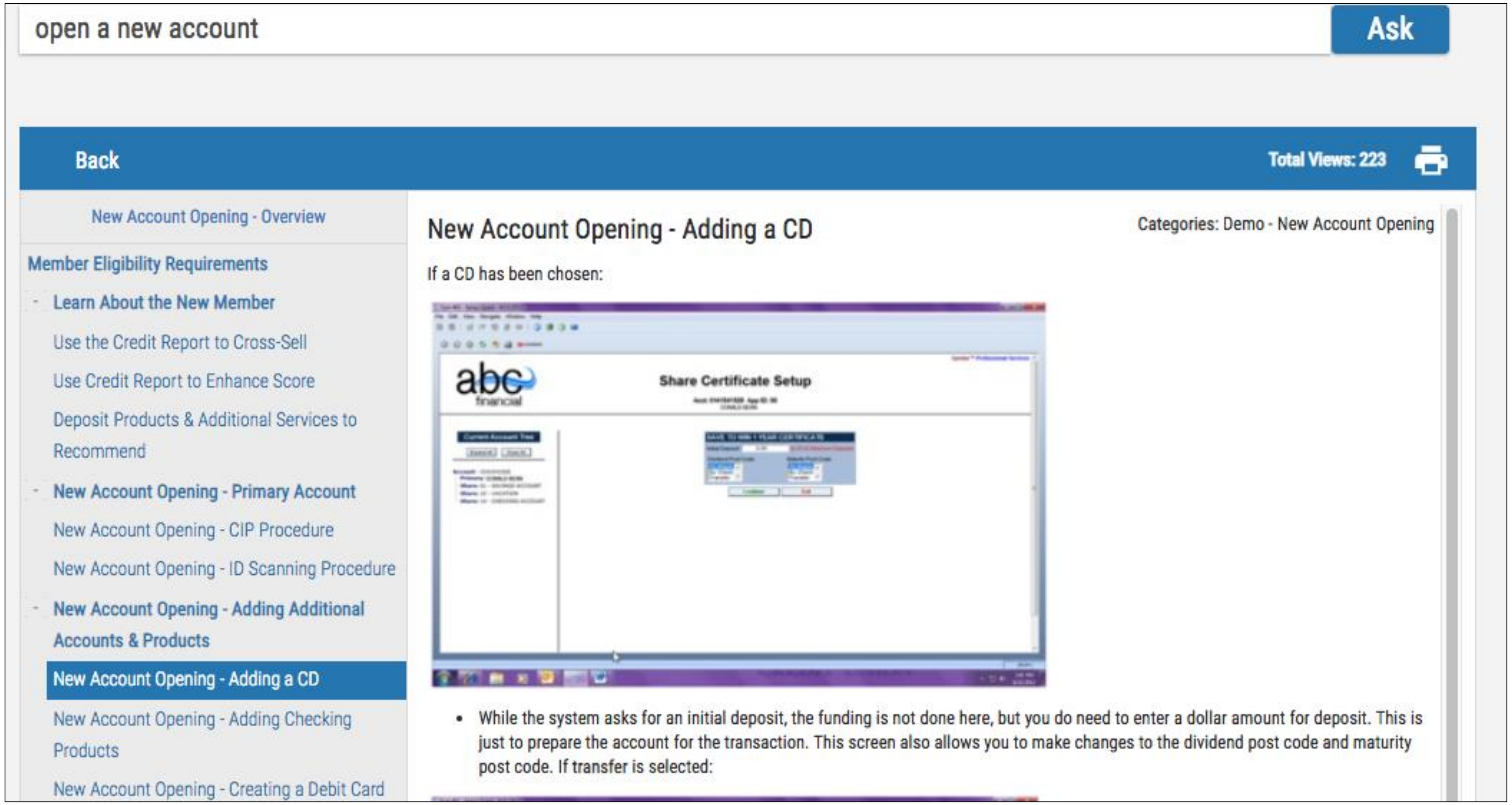
The After

- **Separate procedures** (i.e. business v. retain account)
- **Separate steps within procedures** (i.e. open a new product in an existing account)



Key Takeaways

The top tips for avoiding these 6 mistakes

Break down long, dense documents into their smallest, executable units

- Use clear and appropriate titles
- Ensure each step has a unique ID and can be updated dynamically
- Include links to additional information, such as longer policies and compliance resources

Centralize the content process

Clear title: Procedure ABC

Unique ID# - Step 1

Unique ID# - Step 2

Unique ID# - Step 3

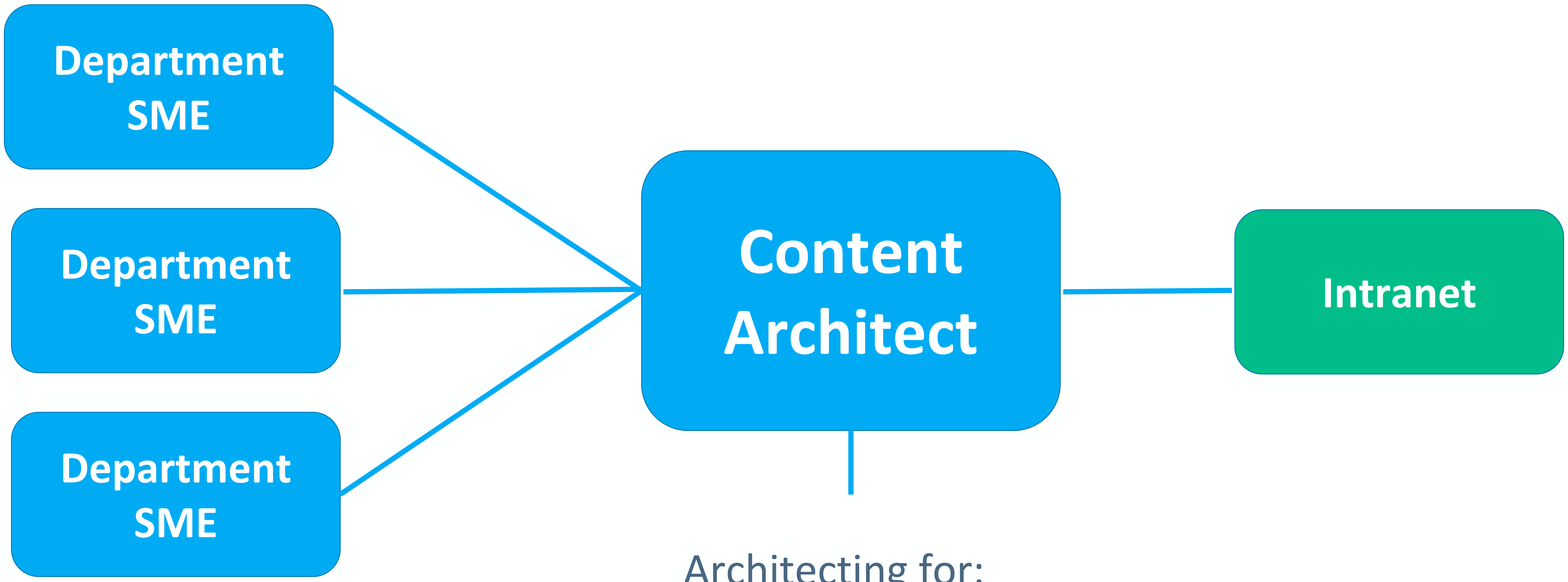
Unique ID# - Step 4

Unique ID# - Step 5

Links to policies & more

LINK
LINK
LINK

Create a centralized Content Assembly Line



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- Understanding & flow
- Next review date
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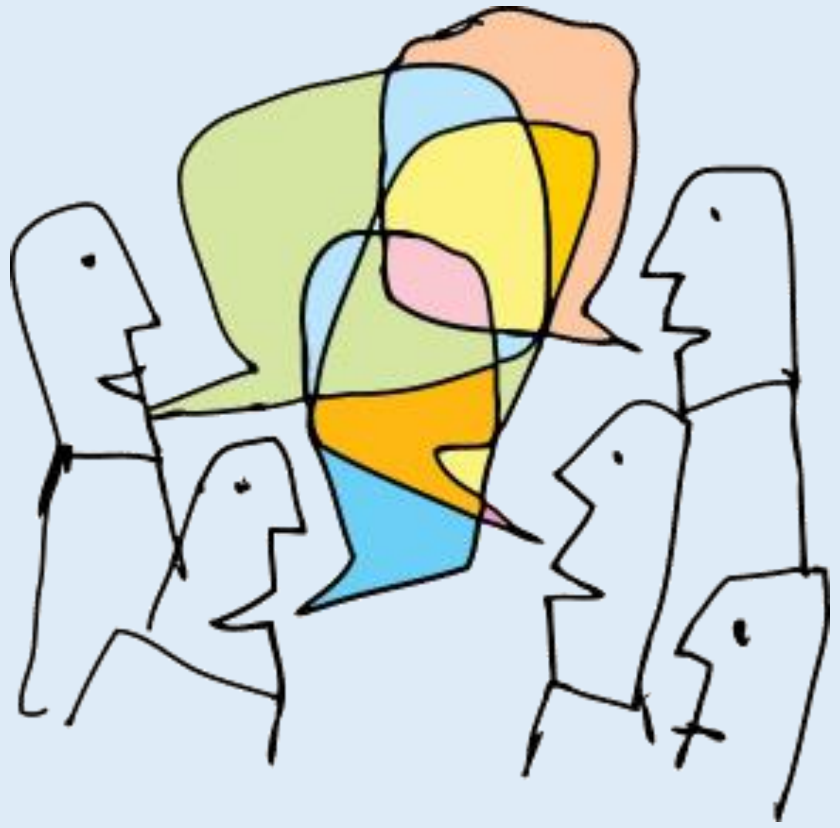
How it happens



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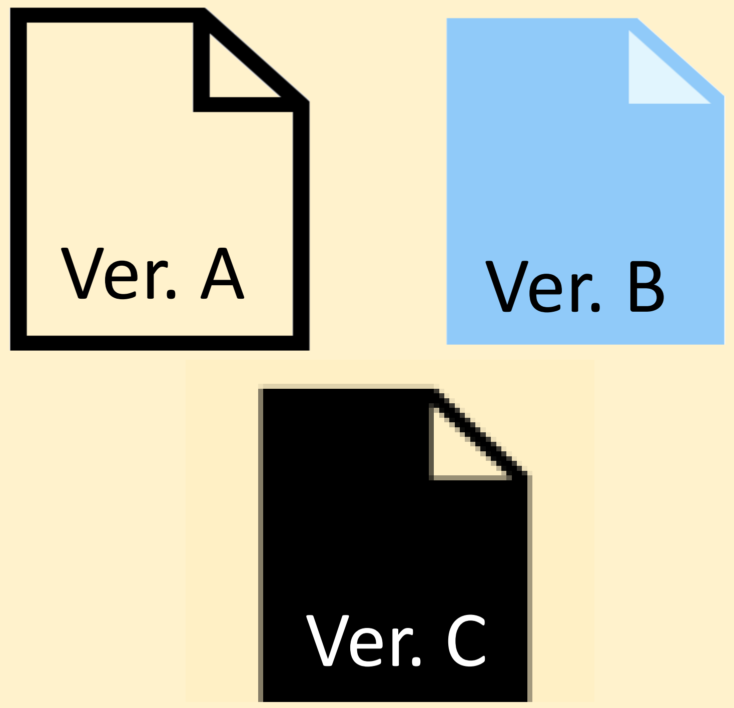


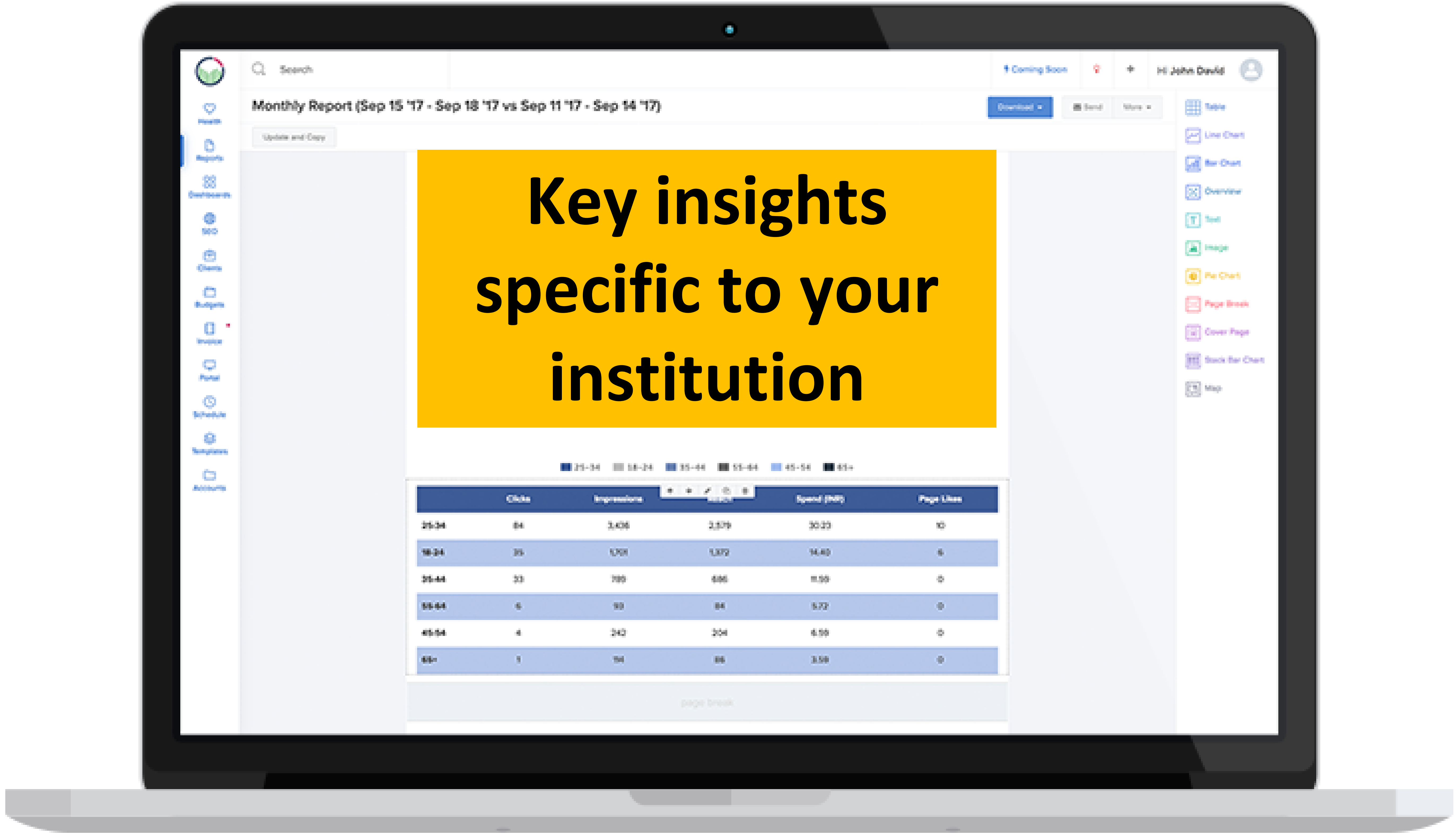
Lack of version control (SMEs)

Free Best Practices Review

Learn how these Best Practices impact your bank or credit union

Receive a highly visual report with ROI. Report covers the impacts of our Best Practices on:

- **Productivity**
- **Experience**
- **Compliance risk**



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