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NEWSLETTER

Volume 50 4th Quarter 2011

Metco Credit Union selects Sharetec to replace their current core solution

Metco Credit Union Bradford-Scott is pleased to announce that Metco Credit Union has selected the Sharetec System to replace their current core solution. They will join the Sharetec network of users in April 2012.

Metco Credit Union has been serving the Cedar Rapids area for more than 50 years. In 1957, Cedar Rapids city employees had a vision and organized the Cedar Rapids Municipal Employees Credit Union. Twenty years later they merged with Linn County Credit Union and created Metco Credit Union, expanding to over 3,000 members.

Brad Mertens, CEO of Metco Credit Union, said: "We really like the Sharetec system's functionality, especially in lending and member service, but what sets them apart in my mind is the ability to significantly increase our noninterest income."

Shared Branching saves costs and maintains Member Service during difficult times

By: Credit Union Centers EVP/CFO, Dan Davis – Op/Ed for Credit Union Times

With today's economy still sputtering, credit unions – and just about any other organization across the nation – remain vigilant about cutting costs to survive and hopefully thrive when the economy returns to good health. In the meantime, credit unions are making every effort to keep their expenses in check while not sacrificing member service to maintain their value.

Surprisingly, even with the lingering economic woes, many credit unions are actually growing their memberships. That's great news for them, our industry, and the economy. Unfortunately, there are a fair number of them that want to continue growing but cannot afford to because of the high expense of properly serving their expanding memberships. A couple of those costly overhead expenses include building and maintaining

branches along with hiring additional employees to fill those branches. If they cannot physically expand to accommodate their growing membership, how do these credit unions continue growing – or simply retain their current members? It's a quandary for sure, but there is an answer: shared branching.

Shared branching promotes the cooperative nature of credit unions to members. You can implement technology services galore, but there's nothing like brick and mortar that gives members the feeling that their credit union is always available to them.

Here's how it works: A shared branching network consists of participating credit unions nationwide that "share" their branches with each other. Members of

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Shared Branching continued...

the participating credit union can use any other participating credit union's branch free of charge to access and manage their accounts as if they were their credit union's own branch. Shared branching can help a credit union's growth without the added cost of constructing buildings and hiring employees.

I'm not sure if there's another industry that helps itself more than this one. Credit unions constantly help one another to keep the movement thriving. It's a cooperation that must be done to compete with its much larger counterparts. This helpful attitude is sometimes awkward, but a vast majority of the time it's welcomed. Nothing represents this welcomed cooperation more than shared branching.

Shared branching helps if a branch must be closed in a particular area because of a difficult business decision, for instance. A shared branch can easily take the place of a closed branch without the high cost of maintaining it. It can minimize the possible damage of losing those members because of closing a branch in a particular area. With shared branching, there's still a credit union presence in the area to serve those members affected by the closing.

In another scenario, many branches located in the workplace have strict security access that makes it a challenge for spouses or other family members to bank there. A shared branch in the

same vicinity can eliminate that access challenge without having to build and staff a new one. There's no longer a need to use the security-laden branch because the comparable shared branch is nearby.

Participating credit unions don't need to spend an extra penny on employees because of a shared branch's ability to allow them to leverage other participating credit unions' employees to expand their presence. One credit union, for instance, that has been around for over 50 years only has 13 employees, still works in its original headquarters, and it amazingly has 15,000 members who reside in multiple states. Because of shared branching, it is able to serve its members via the thousands of branches at its convenience nationwide.

One of the biggest keys to shared branching success is retaining members who have moved from the credit union's immediate service area by being able to offer them a brick and mortar remote location where they feel comfortable transacting their business. One member of a participating credit union, for example, was excited to be able to manage her finances remotely at her credit union's shared branching location on her college campus – which was across the state from where she used to live.

As a bonus, according to a study by Raddon Financial Group, even though the shared branching users only make

up 6.8 percent of all the households at the average credit union, they bring in 12.7 percent of the total profit. On average, the annual household profit for shared branching users was \$90.25, compared to profit of only \$7.07 on households that do not use shared branching. Even after applying the direct costs associated with shared branching transactions, the average profit remains at the lofty level of \$47.53.

Since we're talking about profits, another credit union, which started using shared branching in 2007, began opening branches to shared branching transactions. This process took the credit union until January 2008 to cross the threshold where the income received from acquired transactions exceeded what it paid for its members performing transactions at other credit union owned branches. For example, in April of 2010 the credit union netted just over \$7,000 in excess of its cost – which annualized is an estimated \$84,000 in additional income.

From the stated examples and Raddon study, not only is shared branching cost effective for credit unions on a budget, it is also profitable for credit unions looking to boost their bottom line. So for those credit unions that are looking to grow or replace branches without the overhead expense of building and staffing branches, shared branching is a viable option to consider in this still uncertain economy.

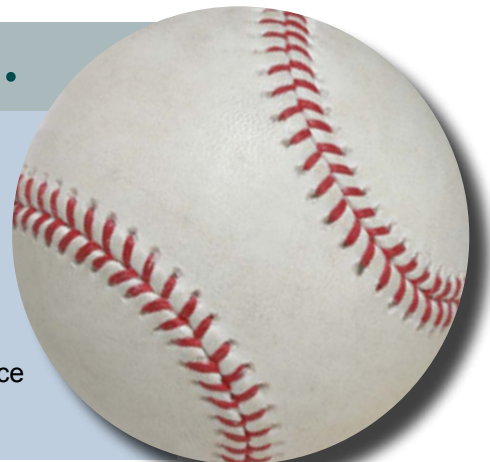
save the date 2012 Users Conference...

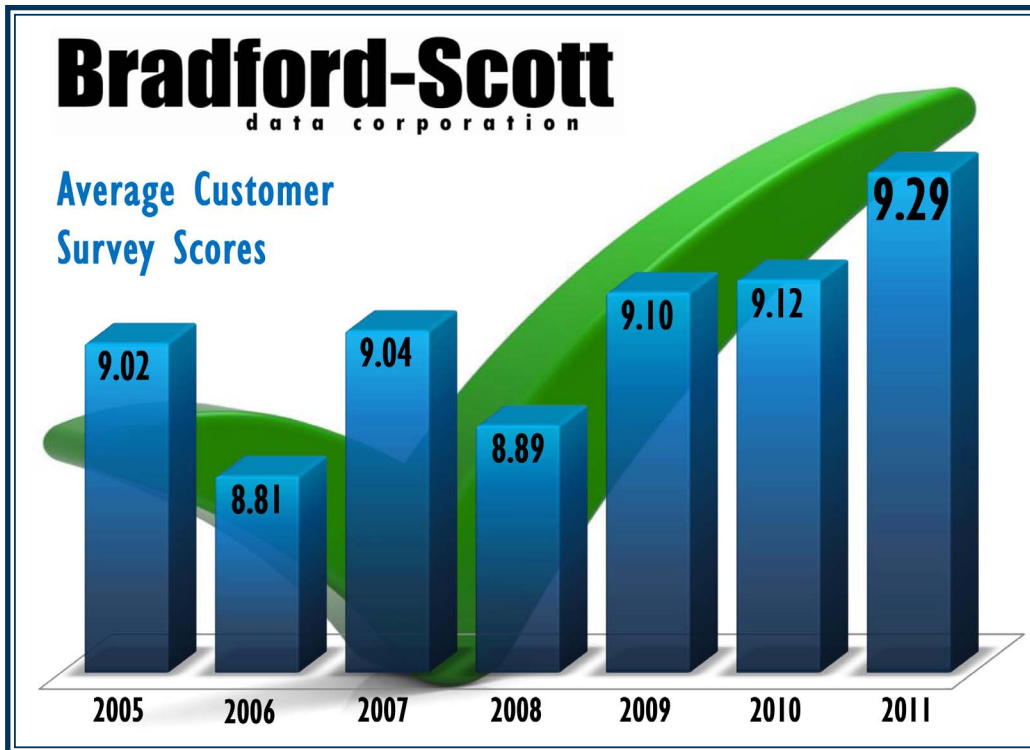
Where: Grand Wayne Convention Center & Hilton Fort Wayne

Location: Fort Wayne, Indiana

When: Tuesday August 28th - Thursday August 30th, 2012

Please email [Carrie Heck](mailto:Carrie.Heck@bradfordscott.com) with any questions about the upcoming conference at check@bradfordscott.com.





customer survey score In the fall each year, Bradford-Scott surveys customers to gauge their satisfaction with our service. From service to sales and friendliness to effectiveness, BSDC strives to maintain a platinum standard in the industry. We are grateful to you for taking the time to respond. The 2011 results are in and we are pleased that you ranked us an average of **9.29** on a 1 to 10 scale. We appreciate your feedback.

Online Bill Pay by: Courtney Hime

With winter weather here, credit union members are looking for ways to avoid going out in the cold. Instead of sacrificing member service, Energy Plus Credit Union (EPCU) in Indianapolis, Indiana came up with an ideal way to keep their members safe, warm, and logged into their homebanking website by further promoting online bill pay.

EPCU has offered bill pay since January of 2007 but the number of members using this service remained stagnant until recently. Determined to increase participation in 2011, they came up with initiatives that encouraged members to sign up.

Bill Pay initiatives included:

- An eye-catching ad on their website.
- An employee incentive at the teller line by giving them extra cash for meeting goals.
- Added statement message featuring this free online service.
- Featuring the benefits and security features of online bill pay in their quarterly newsletter which highlighted a member who actively uses the service. This member touted that the best part of the service was the ability to control when his bills were paid.

While the convenience of an online bill pay service really speaks for itself, the security features that are seamless to the member are now equally important in this electronic age. EPCU quickly realized that their members prefer the single sign-on to the EPCU website over logging in multiple times to every other payee website to get their bills paid. Lastly, not having to put their debit card number on multiple websites was most appealing to members who are looking for ways to reduce the potential for fraud and identity theft.



Cindy Cooper and Cari Palmer from Energy Plus Credit Union

The promotion of online bill pay, as a convenient and low risk way to get the bills paid, has proven to be successful for EPCU. When we last checked with them, they were at 73% of their goal and claim that they will have no problem reaching the 100% mark by the end of 2011. This was a 100% increase over the number of new members using online bill pay during the same period in 2010.

If you would like to share a promotion idea, please contact Courtney Hime at chime@bradfordscott.com.

Backups, Backups, and more Backups!

by: Matt Marra

There have been many articles written and advertisements published that stress just how important it is to have a good backup solution – and Bradford-Scott is not about to disagree with any of them.



Fortunately, there are simple steps to follow that will keep your data safe in the event of a disaster. The most basic step is to simply remember to take the daily backup tape from your credit union off-site each day. This off-site storage plan should be followed for your monthly and yearly backup tapes as well. Doing this, while also following the tape rotation schedule, will ensure that your tape is not affected if your building were to be damaged in a disaster. Floods, tornados, and other natural disasters are real threats for everyone – regardless of which area of the country you live in. These events can happen when you least expect it and having an off-site back up keeps you prepared.

Your data can be further protected by electronically pushing your backups to another location. Bradford-Scott offers a service to handle this process that safely pushes your data to our secure data center. And, for those credit unions with a branch, Bradford-Scott offers a branch backup feature as well. Your branch could also be a good location for a second server to be used as a warm spare where multiple backups are running throughout the day and then being sent to our secure location.

Regardless of which method you choose, having your data in multiple, safe, and secure locations will prepare you for a disaster. If you need help implementing a disaster recovery plan, don't hesitate to call Bradford-Scott to learn more about the recommended industry best practices.

Mobile Banking A Whole New Way!

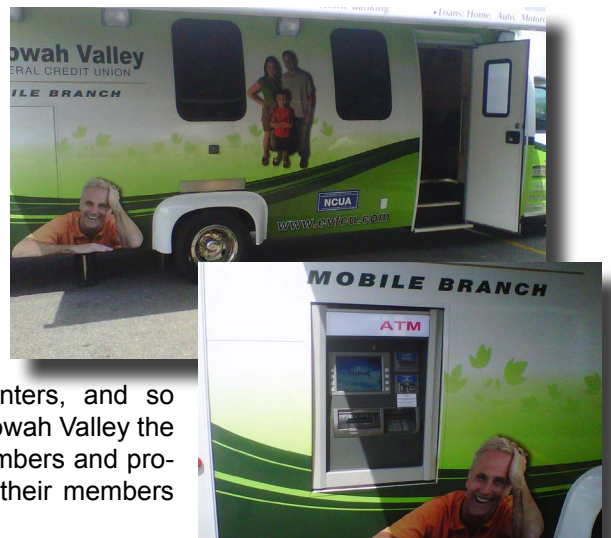
If you read any credit union magazine today, it would be easy to find at least one article on reaching your members through mobile banking. Bradford-Scott is hearing and reading the same information and are very excited that Sharetec Mobile Banking is receiving such great reviews by credit unions and members alike. But what if your credit union needs to do something different when it comes to being mobile? Recently the Bradford-Scott team had the opportunity to work with one of our customers on just such a project.

Etowah Valley Federal Credit Union in Cartersville, GA had to close a branch. The credit union wanted to be able to provide face-to-face service in a different location (other than its main office) but building another branch was not possible. Faced with a difficult issue, they decided to think outside the box – literally.

In looking for new ways to serve their members in different locations, they came up with the idea to create a mobile branch - on wheels. This is not just an ATM on wheels but a full-service

branch with two offices, laser printers, receipt printers, and so much more. This gives Etowah Valley the ability to sit down with members and provide the personal service their members are used to receiving.

According to Veda Hilton, Etowah Valley's President: "The mobile branch is very exciting for us because it allows the credit union to serve its members in new and different ways but still provide the excellent service our members appreciate."



Each time the mobile branch has hit the road, the feedback has been great. Members previously served by the old school branch, 'love the new office'. Also, members and potential members at a recent car sale thought the branch was "Fantastic!"

With upcoming festivals and an easy to drive a full-service branch that catches everyone's eye, Etowah Valley FCU is ready for their members, no matter where they might be.

Successful Project Management

by: Diana Stirratt

In the data processing business, project management is a responsibility that is discussed on a daily basis and in some cases is the responsibility of a sole employee or an entire department. In your credit union, the jargon for a project won't be the same as ours but it still requires many of the same talents, tools, and understanding of the methods to manage and monitor the tasks associated with the rollout of a new service.

This may be as simple as developing a savings or loan product. The more difficult projects normally include adding a new business partner which requires you to coordinate efforts between multiple entities. It becomes a function of managing and monitoring the resources of multiple people and external partners.

A successful project manager must simultaneously manage the four basic elements of a project: Scope, Resources, Time, and Money. All of these elements are interrelated and each must be managed together if the project is to be a success.



Scope What are the size, goals, and requirements of the project? The project scope is the definition of what the project is supposed to accomplish and the budget (of time and money) that has been created to achieve these objectives. It is absolutely imperative that any change to the scope of the project have a matching change in budget, either time or resources.

Resources What people, equipment, and materials will be needed? Managing resources means having the right people, with the right skills and the proper tools, in the right quantity at the right time. It also means ensuring that they know what needs to be done, when to do it, and how to get it done. And, it means motivating them to take ownership of the project too.

Time What are the task durations, dependencies, and critical path? Time management is critical in successful project management. Any project can be broken down into a number of tasks that have to be performed. To prepare the project schedule, the project manager has to figure out what the tasks are, how long they will take, what resources they require, and in what order they should be done. Each of these elements has a direct bearing on the schedule.

Money What are the costs, contingencies, and profit? A project budget is composed of the estimated cost, plus the contingency and design allowance, plus any profit. The project manager's job is to keep the actual cost at or below the estimated cost, to use as little of the design allowance and contingency as possible, and to maximize the profit the company earns on the project.

Successful project management is an art and a science that takes practice. The ideas presented above give you a basic understanding of project management, but consider it only a beginning. Bradford Scott always assigns a skilled, experienced project manager to work with you on projects large or small.

Customer Corner Download training videos, best practice guides, procedures, or other documents from our Customer Center website. Hands-on users are jumping on this site on a daily basis to get the information they need to drive their Sharetec System in the most efficient way.

Customer Center can be accessed at www.bradfordscott.com/login_cu.php. A non-disclosure agreement must be completed in advance of receiving the login information for this "customer only" site. If you are interested, please contact [Bonnie Doolittle](mailto:bdoolittle@bradfordscott.com) at bdoolittle@bradfordscott.com or call (260) 625-5107 for the sign-up form.

tip of the week e-mail...

These TIPS are great for tellers, loan officers, or any Sharetec user! These helpful tips include hints, procedures, best practices, and miscellaneous items. To sign-up to get this weekly e-mail, please e-mail Bonnie Doolittle at bdoolittle@bradfordscott.com with your name and e-mail address.

Listed below is a sample of tips e-mailed in the past that are still useful today!

- Don't be alarmed when running "Month End Close". As part of year-end processing, a box will pop up and state the following question: "You have answered yes to "Year End". This will cause year-end processing to occur. Year-to-date information will be cleared out. Are you sure this is correct?" The response to this question is "Yes" and then it will begin your Month End Close.
- During their audits, most examiners will verify that dividends are accruing accurately on certificates. Two Sharetec reports should be scheduled during month end processing so that they can be made available to your auditors. They are the Current Accrual Detail report and the Certificate Posting report which shows the accrual amounts for each certificate. Both reports can be found in the Reports Workspace under General Ledger.
- To update the IRA Maximum Contribution and Catch Up Amounts, run the IRA Owner Update. Default values are coded into the program but can be overridden by selecting specific IRA types in the drop down box on the screen. The program must be run each time the IRS changes contribution limits and catch up amounts. This screen is located in Back Office Workspace - IRS Reporting - IRS Owner Update.
- Share dividend accrual, tax withholding, and early withdrawal adjustments can now be made in the Administration Workspace under Member Adjustments:
 - For a share dividend accrual adjustment, enter the adjusted amount in the Accrual Adjustment field and click on the 'adjust' button on the bottom of the screen.
 - For tax withholding or early withdrawal adjustments, make sure the correct tax year is selected, click update, and change the Tax Withheld or Early Payment Withdrawal field, and click save.
- To change a loan group or type after the loan has already been processed, go to Loan Group Type Change in the Administration Workspace under Member Adjustments. Using this feature will make the general ledger entries necessary as well as change the group and/or type of the loan.
- The Report Queue (found in any Workspace under Tools/Report Viewer) should be checked at least daily to verify there are no jobs with an RF (Run Failed) status or hung up with an RU (Running) status. If the issue is not addressed, it is possible that the next scheduled jobs will not run.



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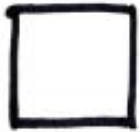
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Software Preventative Maintenance Plan by: Kevin Lowder

With Sharetec Release 8.2 coming in February, Bradford-Scott has begun to assemble the upgrade schedule. As a reminder, Bradford-Scott takes the opportunity at the time of software upgrade to proactively complete a software preventative maintenance check to ensure the health of your Sharetec system. As a free service, we will complete a thorough inspection of your Sharetec system covering many areas, including the following:



- Verify that current backup methods are in place and functioning properly for any secondary ART server systems.



- Verify that the nightly tape backup is completing successfully.

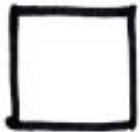


- Verify that the disk-to-disk backup files do not contain a “?” in the file name.

- Verify that the remote backup to BSDC is completing successfully (if applicable).

- Verify that the branch backup to a branch PC is completing successfully (if applicable).

- Verify the file sizes of the Progress databases on your Sharetec system and confirms that none are approaching the maximum single-file size.



- Verify the file sizes of the Progress databases on your ART and transaction server systems (if applicable) and confirms that none are approaching the maximum single-file size.

- Verify that your Sharetec system is set up for automatic time synchronization with the Internet.



- Verify that your Sharetec system has been set up to send you an email notification if your databases do not come back up after the nightly backup completes.

- Verify that your system has been set up to send you an email notification if your nightly tape backup failed for any reason.

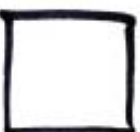


- Review available system hard drive space to make sure that the Sharetec system is not approaching full capacity.



- Verify that the Linux OS scheduling service is actively running.

- Verify that the Sharetec server is operating at peak performance and that there are no processes that are compromising system speed and/or memory usage.



- Verify that all report archiving directories are being backed up on nightly tape backup

- Verify that the netcopy failure email notification process has been properly set up and configured on the transaction server.

Upon completion of the software preventative maintenance check, Bradford-Scott will provide you with a letter of completion for your audit records.

At Bradford-Scott, we continue to take a proactive stance toward protecting your systems health! If you have any questions regarding this free service, please contact Kevin Lowder at (260) 625-5107.

PowerUsers Over 50% of our Sharetec customers participate in daily discussions using our free e-mail list serve, PowerUsers@bradfordscott.com. To be a part of PowerUsers@bradfordscott.com, please e-mail Bonnie Doolittle at bdoolittle@bradfordscott.com to sign up today.

After Hours Pager Support If pager support is needed during the pager hours listed below and one of the following situations applies, there will be no charge for the pager call:

1. Issue would prevent your credit union from opening for business and can be resolved remotely.
2. Issue occurs during normal credit union business hours and can be resolved remotely.



Normal Pager Support

Monday through Friday:

7:00 a.m. EST to 8:00 a.m. EST
5:00 p.m. EST to 9:00 p.m. EST (6-9 for Software)

Saturday:

9:00 a.m. EST to 1:00 p.m. EST
\$180/hr for normal pager hours, if billable.

Month-end Support

Weekday:

No pager. Office hours extended until 9:00 p.m. EST

Extended Saturday pager hours:

1:00 p.m. EST - 5:00 p.m. EST
\$240/hr for extended Saturday pager hours, if billable.

Calls placed outside pager hours will be returned at 7:00 a.m. EST on Monday through Friday or 9:00 a.m. EST on Saturday. If the page cannot be handled remotely, charges for travel and labor will apply. If page is deemed billable, it will be subject to a minimum 1-hour charge.



quarterly webinar schedule

Our goal is to provide exceptional training to you and your staff within the comforts of your own office. The process is quick and easy! Simply e-mail **Jason Pesetski** in the Training department at jpesetski@bradfordscott.com with each user name and e-mail address. He will send out a confirmation with complete instructions for joining each webinar, as well as a list of training materials that need to be downloaded prior to the webinar. Webinar classes are small and are on a first come/first serve basis. They will start at the time listed each day in Eastern Standard Time and will last approximately one hour. Classes fill up very quickly, so please e-mail Jason at jpesetski@bradfordscott.com to sign up! If you have questions, feel free to call Jason at 260-625-5107.

Please note If you sign up for a class and **CANNOT** attend, we ask that you notify us at least **24** hours in advance of the webinar start time so that we may give away that spot to someone else. There is a \$25.00 cancellation fee if you do not provide notification in advance and miss the webinar.

Automated Lending Decision

02/07/2012 @ 11:00 am EST
02/10/2012 @ 2:00 pm EST

Risk Based Lending

02/21/2012 @ 11:00 am EST
02/23/2012 @ 2:00 pm EST

Geezeo Demo

03/06/2012 @ 11:00 am EST
03/08/2012 @ 2:00 pm EST

X3 Admin Site For Mobile Banking

03/20/2012 @ 11:00 am EST
03/22/2012 @ 2:00 pm EST

Special Webinar Join us on 1/24 at 2 p.m. est or 2/07 at 2 p.m. est to learn about the **Astaro Device**. Protect yourself against IT security threats and have complete assurance that you are fully protected.