



Florida Credit Union News

A publication of the Florida Credit Union League 

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Appeals Court Rules for Credit Unions in FOM Case

In a case involving multiple challenges to the National Credit Union Administration's (NCUA) field of membership rules, the United States Court of Appeals for the District of Columbia threw out the challenges made by the American Bankers Association (ABA), finding the ABA's arguments without merit and affirming the district court's dismissal of the case.

"(The) ruling is a complete victory for credit unions. Our arguments prevailed and we won on the merits," said Daniel A. Mica, president and CEO of CUNA. "I am extremely

pleased and gratified by the decision. We have been consistently confident throughout this process that the courts would support NCUA's interpretations of the Credit Union Membership Access Act, and that the bankers' objections were baseless."

*"The ruling is
a complete victory
for credit unions"*

"We have been confident of our arguments from the beginning," said Eric Richard, CUNA's General Counsel. "Now we look forward to working with NCUA to move forward on implementing the rules and regulations allowed under the Credit Union Membership Access Act."

Potential Credit Union Members Up 12.5 Million in 2001

NCUA's streamlined process and regulatory flexibility approach are the reasons for the record-setting increase of 12.5 million potential new credit union members in 2001, NCUA Chairman Dennis Dollar said at the winter meeting of the AACUL.

Federally chartered credit unions are expanding service into underserved and low-income communities across the United States at a record-setting pace, Dollar said, comparing this year's figures to the entire year of 2000, when credit unions expanded into only 50 areas meeting the underserved criteria with a population of 2.3 million.

He said about 350,000 Americans have access to faith-based credit union services

as a result of these institutions' adopting underserved communities.

"Without a doubt, more Americans have access to an alternative to predatory lending than ever before because of the results from this new streamlined process," he said. "A federal agency does not need to dictate or place unnecessary, burdensome regulations on the nation's credit unions in an effort to require them to serve communities."

He reiterated his opposition to the agency's Community Action Plan enacted in 2000, saying the agency "could accomplish more through eliminating the hurdles to serving the underserved than by creating more. These numbers help to bear this out."

Catch the Next WAVE

**The 68th Annual
League Convention**

May 30 – June 1, 2002

The League's three-day annual convention is for all levels of credit union personnel and volunteers. Housed at the beautiful Orlando World Center Marriott, Education Day features nationally renowned speakers and credit union professionals in concurrent sessions covering the latest developments in the credit union movement. Combined with the annual meeting, exposition, governmental affairs luncheon, annual golf tournament, and exciting social events, this convention is the "showcase" of the Florida credit union movement.

**Look for more
information coming soon!**

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Looking Ahead

As the year 2001 comes to an end, we can certainly look back at a most amazing year. The year will always be remembered, of course, for the events of September 11. Years and years from now we will never forget what we were doing and where we were when we learned what happened in New York and Washington. Credit unions can certainly look back and once again be proud of their actions following the attacks. Hundreds of thousands of dollars have been raised and contributed by credit unions from all over the nation. Nearly every credit union in Florida did something to help or contribute. We should all be proud.

But, 2002 will present its own challenges and problems. On the state front, we must be ready to be extremely involved in what promises to be a most challenging session of the Florida Legislature. Here is a just a partial list of the issues we'll be following: the intangibles tax and the threat to apply it to state credit unions; reorganization of the Departments of Banking & Finance and Insurance; allowing credit unions to accept public deposits; and others. All of this will have to be balanced with the Legislature being involved in ever growing budget problems, and the every 10-year dilemma of redesigning legislative and congressional districts.

On the national front, several issues are coming to the forefront in Washington. Action on the Investment Development Account proposal and bankruptcy reform is expected early in the next session of Congress. In addition, FCUL and other leagues remain ever vigilant on the federal income tax exemption for credit unions.

Wow! What an agenda of things to wade

through. This will require a lot of help from all of you. It will require many of you to become more active than you ever have. With all that is facing this Legislature, it will be incumbent on all of us to make sure they remember who we are and what we want when the time comes.

Next year is also an election year and we will need your help to ensure that 2002 is just as successful as 2000 was in terms of electoral success. Based on our calculations, 91.2 percent of the candidates that credit unions supported were elected to office. We will need to match that success ratio and better it if possible to

make sure credit unions can achieve their goals in the years to come.

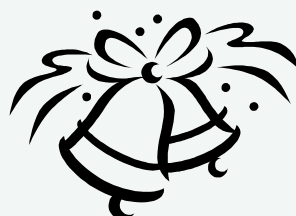
We're going to get you started early next year. The FCUL Legislative Summit, which used to be held later in the year, will now be held January 30-31 in Tallahassee. We're holding it earlier because the Legislature will be convening earlier than normal, due to the reapportionment issue. We're counting on credit unions to descend on Tallahassee to let their elected officials know how they feel and give their thoughts on the issues that matter.

Just a month later is the CUNA Government Affairs Conference in Washington. With constant talk by our banker friends of seeking removal of the federal tax exemption for credit unions, and the fact that it is an election year, it is critical that we stay as visible as we can. If you haven't signed up now, please do so soon to attend the annual GAC in Washington.

Whew! What a busy year ahead of us. With hard work and dedication, though, together we can succeed.



*Guy M. Hood
President/CEO*



On behalf of everyone from the Florida Credit Union League, we wish you and your family a happy and safe holiday season.

CUNA Network Services Launches CU Build A Site II Package Plus

CUNA Network Services, Inc. has announced the release of CU Build A Site II-Package Plus, a turnkey solution allowing credit unions to get on the World Wide Web quickly and professionally. CUNA Network Services is offering this unique, cost effective program – with no contract commitment or set-up fees – for credit unions wishing to enter the online world.

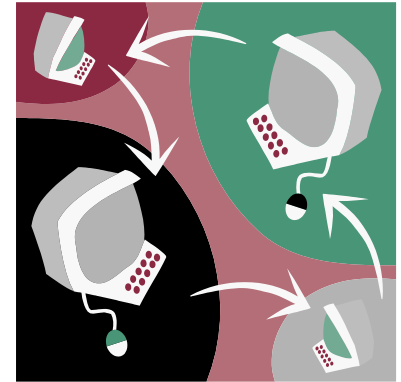
“In today’s fast-moving e-commerce marketplace, it is important that credit unions establish an online presence, and do so with as little difficulty and expense as possible,” says Doug Benzine, senior vice president of business development for CUNA Network Services. “This solution allows them to do that.”

The new CU Build A Site II-Package Plus includes many powerful features, allowing credit unions to take full advantage of the Internet. CU Build A Site II-Package Plus is bundled with compliance services to help protect credit unions from noncompliance with regulatory requirements. More than an automated web site builder, CU Build A Site II-Package Plus offers all the tools a credit union needs to grow and succeed on the Internet.

Credit unions can sign up for a free trial of CU Build A Site II-Package Plus by visiting www.cunanetworkservices.com. The free

trial gives credit union staff the opportunity to see how easy it is to build and publish their own Web site. Credit unions create a live Web site that can be viewed by executives, staff and board members for seven days without further obligation. If, at the end of the seven days, the credit union chooses to purchase the Web hosting package, they can do so with the click of a mouse.

For more information on CUNA eCommerce products and services, visit www.cunanetworkservices.com or contact Keith Hopkins, FCUL Service Group’s director of transaction services, at (800) 342-1266, ext. 317 or via e-mail at keith.hopkins@fcul.com.



Southeast Corporate Holds Grand Opening

Approximately 60 people were in attendance Nov. 29 in Jacksonville for the grand opening of Southeast Corporate’s Item Processing Facility.

Southeast Corporate Chairman Jim Mitchell, along with CEO Bill Birdwell, cut the ceremonial ribbon, signifying the official opening of Southeast’s new facility. “We are very pleased to officially open our state-of-the-art item processing facility here in Jacksonville. Southeast’s item processing solution is a win-win for our members. It provides cost savings to our members while providing them with access to the latest in item processing technology. Because of our success here in Jacksonville, plans are underway to provide an additional item processing facility in South Florida,” announced Birdwell.

Southeast Corporate’s Jacksonville Item Processing facility occupies 7,000 square feet at 8400 Baymeadows Way. The Item



Jim Mitchell and Bill Birdwell cut the ribbon at the grand opening of Southeast Corporate’s Item Processing Facility.

Processing Facility will house nine staff members.

Southeast’s facility not only offers its members a cost effective solution for processing their items, it also provides them with the latest in share draft imaging

technology. The IP Service leverages the Internet to deliver imaging to credit unions via Image Depot. Image Depot provides credit unions with online capabilities to view cleared draft images—both front and back. This is an advantage in tracking the processing of the draft, allowing the credit union the opportunity to search for cleared drafts by date, dollar amount, sequence number, and draft number—to name but a few search tools. Southeast’s leveraging of state-of-the-art technology translates into superior service to its members.

The decision to launch Item Processing services was made by Southeast Corporate earlier this year after learning that Traveler’s Express would be exiting the item processing business. With the support of the Florida Credit Union League Service Group (FCULSG) and Cooperative Services, Inc. (CSI), Southeast Corporate began item processing from CSI’s facilities in Atlanta, Ga., on May 1, while awaiting completion of the Jacksonville facility. The Jacksonville site began processing items on Aug. 13.

Kay Moon, Senior Vice President of Correspondent Services, states, “We have plenty of space for expansion and look forward to adding more credit unions who would like to benefit from the service we offer here. When you really look at offering an item processing solution to your members, the one detail that really is going to set you apart from other vendors is superior service. I am personally committed to giving our members the kind of individual attention they deserve, and have implemented service-level standards in order to ensure quality delivery of this service.”



Send submissions for the "News From You" section to the League by the first of each month.



Florida Telco is pleased to announce the grand opening of its new corporate headquarters at 9700 Touchton Road in Jacksonville. The 30,000 square foot facility not only houses the executive team, but also offers complete branch facilities including member services, loans, mortgages, safe deposit boxes, and two ATMs.

The credit union's assets are currently \$346 million with 45,000 members and eight locations in Northeast Florida.



Memorial Employees Federal Credit Union loves its auto loan program! Recently, a credit union member took out a loan for a 2001 Aston Martin DB7 and sent a photo and "thank you" letter to the MEFCU staff for the \$140,000 loan!



SunState Federal Credit Union welcomes Dawn Parrish as Branch Manager of its Chiefland office. Parrish brings more than seven years of experience in a financial institution to SunState.

Envision CU Employees Get Patriotic with Fundraising Ideas

Envision Credit Union is continuing to support local efforts to aid disaster relief victims, but now in a more creative, patriotic way. Member Service Representative Lana DuPont created "Pride in America" pins for staff to show their support.

"After the attacks, I just wanted to find a way to help. Our marketing department had given all the staff red, white and blue ribbons, but they were getting tattered. I made a few pins and they seemed to be pretty popular with the staff. Mr. [Ray] Cromer approved my request for the credit union to buy the pin supplies, and so I began making the pins," Lana said. "We raised over \$300 and were

able to show our pride at the same time."

Employees from Envision Credit Union, United Datatronics and United Solutions, their CUSO and collections service partner respectively, were able to purchase the pins for \$3 each, with 100 percent of the donations going directly to the United Way Disaster Relief Fund. The credit union is also an official donation site for the Red Cross.



Tropical Financial CU Opens Offices at Two Wal-Mart Supercenters

Tropical Financial Credit Union celebrated the opening of two new branch offices inside the Wal-Mart Supercenters located at 6001 Coral Ridge Dr. and at 3801 Turtle Creek Dr., both in Coral Springs, on November 1 and 6, respectively.

Greg Blount, CEO of Tropical Financial, is enthusiastic about this new alliance. "In this in-store environment, our members will receive the convenience of one-stop shopping for their groceries, retail items and their financial needs. And with our new community charter, virtually any customer of the Wal-Mart Supercenter will be eligible to join the credit union."



(L to R): Try Grauer, Wal-Mart Asst. Manager, Tad Rubin, TFCU Board of Directors member, John Somerer, mayor of Coral Springs, and Greg Blount, president of TFCU, participate in the ribbon cutting ceremony of the new branch.



At Suncoast Schools Federal Credit Union, teller operations, member service support, and call center departments joined in an effort to raise funds for fellow Americans who were affected by the events of September 11. Staff members made more than 3,000 patriotic pins using beads and safety pins. Those participating spent many hours assembling the pins at home and during their lunches and breaks. A total of \$6,000 was raised through this effort using 27,000 pins and 216,000 beads!

Jax Navy FCU Members Approve State Charter

The members of Jax Navy Federal Credit Union have voted and approved the conversion to a state chartered credit union, according to a report to the membership by Board Chairman Lawrence R. Jacobs.

Using in-person and mail balloting, 13,196 members cast qualified ballots. A majority of the ballots, 71 percent, voted in favor of the conversion. Jacobs says he expects the charter conversion to become effective Dec. 31.

Jax Navy FCU, based in Jacksonville, was chartered in 1952 and has 265,000 members. It has \$2 billion in assets.

Jax Navy FCU President and CEO Terry West said the credit union has been exploring for the past year a more flexible way to serve additional members.

According to federal and state regulators, the credit union must remove the word “federal” from its name. Lawrence said that change would take place within six months of the conversion, but said a new name is possible.



Congratulations to **Sarasota Coastal Credit Union** for winning a national honorable mention recognition in this year’s Dora Maxwell Social Responsibility awards.

In Today’s Economy, Member Savings Are More Important Than Ever

With the uncertainty of today’s economy, it is even more crucial for your members to save money. Now more than ever, America’s credit unions have the opportunity to help members bridge the gap between *can’t save* and *can save*.

According to *News Now’s* Quick Question poll, 84 percent of credit unions surveyed expect members’ savings levels to increase during the six months following the attacks. One in five expect a large increase in savings. Almost 10 percent see no change, and even less said savings would decrease. *News Now’s* Quick Question is an informal online poll created for *News Now* by CUNA Research Online.

Now is a great time to help members, especially those who need it the most. As

your credit union finalizes strategic plans for 2002, look for ways to integrate savings programs into your existing efforts. Increasing awareness of savings programs now helps communicate to your members that we’re “all in this together.”

One way to promote savings to your members is through the *Plan it. Save 4 it.* savings campaign. *Plan it. Save 4 it.* is a two-year pilot sponsored by the National Credit Union Foundation via a grant from the Ford Foundation. The effort is designed to help credit unions enhance their existing savings programs/services. For more information or to get materials, visit www.cuna.org/ncuf.html or contact Bill Crawley, director of Programs & Grants, at (800)356-9655, ext. 7022.

The National Credit Union Foundation continues to seek input from credit unions involved in the *Plan it. Save 4 it.* savings campaign. While you are not obligated to contact them, letting the staff know how your credit union is using the *Plan it. Save 4 it.* theme and materials will help them make improvements on future efforts. To send feedback or submit member stories, go to www.cuna.org/ncuf.html and click on “Plan it. Save 4 it,” then “Contact us/Let Us Know What You’re Doing.”



Credit Union Political Action

DBF Proposes Revisions to Two Rules Affecting State Chartered Credit Unions

Before the end of December the Department of Banking and Finance (DBF) intends to promulgate changes to two rules.

The first rule revision relates to due dates for Call Reports (3C-110.045) and the second relates to the assessments credit unions pay for examinations [3C-110.053(2)(a) through (2)(d)].

Under the new proposal, if a call report falls due on a Saturday or Sunday, it would be due on Monday, and if Monday were a state holiday, it would be due on Tuesday. The second rule revises the assessment credit unions pay the department for their examinations. It revises 3C-110.053(2)(a) through (2)(d). The proposal changes the current assessment schedule, reflected by the charts illustrated to the right.

According to DBF staff, when the rule was originally promulgated, and last revised in 1996, there was no state chartered credit union with assets substantially greater than \$300,000,000. As a result, they did not expect to need additional, specific categories dealing with larger credit unions. With the recent conversion of two large federal charters to state charters, it became an issue

State Credit Union Semiannual Assessment Schedule				
Total Assets		Pay This Amount	Plus Excess Assets Times:	Of Excess Over
Over	But Not Over			
\$0	\$500,000	\$50	.00000	\$0
\$500,000	\$150 million	\$50	.000135	\$500,000
\$150 million	\$300 million	\$20,232	.000105	\$150 million
\$300 million	\$5 billion	\$34,482	.00008	\$300 million

Proposed 2001 State Credit Union Semiannual Assessment Schedule				
Total Assets		Pay This Amount	Plus Excess Assets Times:	Of Excess Over
Over	But Not Over			
\$0	\$500,000	\$50	.00000	\$0
\$500,000	\$150 million	\$50	.000135	\$500,000
\$150 million	\$300 million	\$20,232.50	.000105	\$150 million
\$300 million	\$750 million	\$35,982.50	.00008	\$300 million
\$750 million	\$1 billion	\$71,982.50	.00005	\$750 million
\$1 billion	\$1.5 billion	\$84,482.50	.000045	\$1 billion
\$1.5 billion	\$2 billion	\$106,982.50	.00004	\$1.5 billion
\$2 billion		\$126,982.50	.000035	\$2 billion

to deal with.

The proposed amendment will correct a mathematical error found in the current credit union assessment schedule. The proposed

amendment expands the ranges of credit union assets to be assessed. Finally, the proposed amendment clarifies the date on which semi-annual assessments are due.



February 24-27, 2002
Hilton – Washington, D.C.

Registration Fee:

\$649 Early bird discount
(Available until Jan. 11, 2002)

\$699 For registration postmarked
after Jan. 11, 2002

★ Special Discount:

All credit unions under \$10 million in assets can attend the GAC at a reduced rate. Register before Jan. 11 and your Early Bird rate is only \$325; after that date, the rate will be \$375.

Featured Speakers:



Newt Gingrich



James Carville

Registration:

For registration and reservation information, contact CUNA & Affiliates' Meetings and Special Events Department at (800) 356-9655, ext. 5700, or register online at www.cuna.org.

New Officers Elected for North Central Chapter



(L to R) Deborah Thomas, Steve Jeppson, Kathy Colson, and Judy Collins

New officers were elected at the North Central Chapter of Credit Unions dinner meeting last month. The officers are:

- Steve Jeppson, SunState FCU
- Judy Collins, 1st Credit Union of Gainesville
- Deborah Thomas, 1st Credit Union of Gainesville
- Kathy Colson, SunState FCU

Aletta Shutes, Executive Vice President of the League was the featured speaker at the meeting. She led the group "pep rally style" encouraging Chapter solidarity, political involvement and CUPAC. Other FCUL staff members attending were Mark

Landreth and Grace Potter Freni.

Jason Norton, Southeast Corporate FCU's Vice President of Marketing, and Gisli Magnusson, the Member Relationship Manager for the region, participated in the meeting as well.

A special thanks goes out to Greg Waters of Campus USA CU for his past service as the Chapter president.

The League has a number of topics and speakers available to address your Chapter. Call Grace Potter Freni at (800) 342-1266, ext. 312 for more information.

Credit Union Leaders Meet With Rep. Byrd

Four Tampa area credit union CEOs and three FCUL lobbyists met with Rep. Johnnie Byrd (R-Plant City) in his District office last month. The meeting was scheduled to introduce credit union issues and individuals to Rep. Byrd, who is the Florida House of Representatives Speaker Designate.

Those in attendance were: Tom Dorety, Suncoast Schools FCU; Mary Ott-Wood, Florida West Coast CU; Bucky Sebastian; GTEFCU; Art Wood, Railroad and Industrial CU; Grace Potter Freni, FCUL; and Brian Ballard and Clark Smith, FCUL contract

lobbyists. Some of the issues discussed were public deposits, opposition to the removal of the intangibles tax exemption specific to credit union mortgages, and privacy.

Because Rep. Byrd will be the House Speaker beginning in 2003, it is very important for credit unions to build a strong relationship with him now. His influence will be far reaching and it is imperative that credit unions are, at the least, able to present him with the credit union point of view on financial services issues.



(L to R) Art Wood, Mary Ott-Wood, Bucky Sebastian, Rep. Johnnie Byrd, Grace Potter Freni, and Tom Dorety

Local Grassroots in Action



(L to R) U.S. Congresswoman Corrine Brown (D-3rd), ECCU President and FCUL Board Treasurer John Hirabayashi, and ECCU Vice President and former Northeast Florida Chapter President Linda Murrow.

Supporting those who have supported credit unions is one of the reasons for CULAC funds. Congresswoman Brown was one of the original sponsors of HR 1151.



Sarasota Coastal Credit Union President Tom Randle presents a \$250 CUPAC check to Rep. Donna Clarke (R-69).



Regulatory Update

Bill Berg, CCUE, CUCE, Director of Training and Credit Union Development, brings regulatory changes to your attention through this column. If anyone has questions or suggestions for additional topics, call (800) 342-1266 or (850) 576-8171, FAX to (850) 574-6374 or e-mail billb@fcu.org.

Summary of Recent NCUA Letters to Credit Unions

NCUA Letter to Credit Unions No. 01-FCU-06 Financial Education Curriculum

This letter informs credit unions of a financial education curriculum called "Money Smart" that was developed by the Federal Deposit Insurance Corporation (FDIC) to help adults outside the financial mainstream build financial knowledge and develop positive relationships with financial institutions.

NCUA Letter to Credit Unions No. 01-CU-09 Identity Theft and Pretext Calling

This letter is to inform credit unions that NCUA has developed a Guidance on Identity Theft and Pretext Calling to address how credit unions should protect member information against these two areas of consumer fraud. Included with the letter is NCUA's Guidance on Identity Theft and Pretext Calling, Appendix, and an Identity Theft Brochure.

NCUA Letter to Credit Unions No. 01-CU-10 Authentication in an Electronic Banking Environment

This letter explains recently released guidance by the Federal Financial Institutions Examination Council (FFIEC) regarding authenticating users in an electronic banking environment. Included with the letter is the FFIEC guidance on authentication for credit unions to carefully review.

NCUA Letter to Credit Unions No. 01-CU-11 Electronic Data Security Overview

This letter focuses primarily on the electronic aspects of member data security under Part 748, Security Program, Report of Crime and Catastrophic Act and Bank

Secrecy Act Compliance. The enclosure discusses how to develop and implement a security program for electronic data and information systems.

NCUA Letter to Credit Unions No. 01-CU-12 e-Commerce Insurance Considerations

This letter encourages federally insured credit unions to evaluate their existing and optional insurance coverage to determine if existing coverage is sufficient in light of the additional risk that may be presented by e-Commerce.

NCUA Letter to Credit Unions No. 01-CU-13 Financial Trends for the First Half of 2001

This letter includes a report highlighting credit union financial trends for the first half of 2001 which was based on data collected from the midyear 2001 call reports submitted by federally insured credit unions.

NCUA Letter to Credit Unions No. 01-CU-15 FBI Request for Records Search by Credit Unions

This letter provides a public list of the names of alleged subjects under investigation in the World Trade Center and Pentagon Attacks and asks all credit unions to check their records for any relationships or transactions with the named individuals.

NCUA Letter to Credit Unions No. 01-CU-18 NCUA Request Relating to Information Pertaining to the Terrorist Attacks

This letter requests that credit unions appoint a senior level individual to receive e-mail communications from law enforcement individuals that will provide a "control list." The control list will be a

unified list of individuals and entities identified by the FBI. Additionally, this letter provides a worldwide web address for credit unions to provide their contact information. Attached to this letter is a joint agency letter requesting information and a credit union notification form.

President's Executive Order on Terrorism and Related Issues

The United States Government has initiated a number of efforts that require all financial institutions to identify, freeze, and report information about assets that belong to individuals and organizations that may be involved in terrorist activities. These efforts include an Executive Order from President Bush, a list of terrorist groups and individuals on the United States Department of Treasury's Office of Foreign Assets Control (OFAC), the establishment of a Financial Institution's Hotline and a distribution list from the FBI.

NCUA Interim Final Rule on Electronic Disclosures

NCUA delayed the October 1, 2001 mandatory compliance date for providing electronically the disclosures that are required to be given in writing under Regulation DD, the Truth in Savings Act. The new mandatory compliance date will be set when the final rule is issued.

The delay in the compliance date does not delay or prohibit the use of electronic disclosures. Until a final rule is issued, credit unions may continue to provide electronic disclosures under their existing policies and practices or may follow NCUA's interim final rule.



Security Institute Virtual Classroom Set for January

CUNA's Center for Professional Development's first Security Institute Virtual Classroom is set for January 2002. This program consists of six sessions of live virtual classroom instruction lasting approximately two hours each. Classroom sessions are from 2-4 p.m. on Tuesdays and Thursdays, January 8-24. Topics include:

- Administering the Policies and Procedures of a Security Operation
- Current Schemes, Scams, and Fraud, including Internet Fraud
- Conducting an Investigation

- E-Commerce: Technology and Security
- Selecting Security Vendors and Services
- Identity Theft

In addition to time spent in the "classroom," students will engage in online activities including discussion groups, additional readings, and case studies. Study hours for the self-paced portion of the course are not fixed, giving students the flexibility to choose the best time each week to complete these activities. Students should expect to spend 3-6 hours on the self-paced web activities for each scheduled class session.

The Virtual Classroom is a unique blended approach to learning featuring live, real-time interactive instruction from industry experts. This, combined with self-paced web activities including group discussions, exercises, simulations, and case studies provides an interactive learning experience.

Tuition is \$1,295, with a \$100 discount for CUNA Council members. For more information, visit www.cuna.org/training.html or call (800) 356-9655, ext. 4233.

CUNA's Learning Management Software System Launched

Managing and tracking credit union employees' educational achievements through CUNA's courses just became a lot easier. On Nov. 5, CUNA's Center for Professional Development (CPD) launched a new Learning Management Software (LMS) package that allows credit union trainers, employees, and leagues to access course records online.

"With this system, the students have access to their own transcripts—which they didn't have before," says Connie

Boekholder, manager of national certificate programs for CPD. "They'll be able to view all their course work that is done through our department, whether it was done online, paper-based, or at a face-to-face event."

In the past, for example, if a credit union manager wanted to see which courses an employee completed that year before they meet for a performance appraisal, the manager would have to call the League or CUNA to request the report. CUNA would then have to pull the report, copy it, and fax or mail it to

the credit union. Now credit unions can simply log on to the system and view reports for a specific employee or the entire credit union. Before the new system's debut, CUNA typically received 20-25 report requests per regular week, and up to 50 during a busy week.

For more information visit www.cuna.org/training.html and choose e-learning or call (800) 356-9655 ext. 4131.

CUNA Announces National Credit Union Youth Week

The Credit Union National Association (CUNA) will introduce the first National Credit Union Youth Week in 2002. The theme for this inaugural celebration is "Your Future. Your Money. Your Choice."

"The underlying idea behind National Credit Union Youth Week is to encourage credit unions across the country to address the financial needs of people under the age of 18, beginning with the need for personal finance education," says Daniel A. Mica, President and CEO of CUNA. "Young people are not only current and future credit union members, but consumers who control billions of dollars in economic activity. We want the spotlight to shine on how young people earn, spend, save, and manage their own money—and how America's credit unions help them do so wisely."

"Inaugurating National Credit Union Youth Week follows

naturally from our sponsorship of the NEFE High School Financial Planning Program," Mica says, explaining that CUNA and credit unions have a long-standing commitment to financial literacy among

members. "We also believe that celebrating this event in April is a logical complement to our International Credit Union Week activities in October."

"We'll put planning resources and PR support on CUNA's Web site in January 2002. Promotional products similar to International Credit Union Week materials also will be

available," says Philip Heckman, director of youth outreach for CUNA. He anticipates that credit unions will want to host, sponsor, and/or support a variety of youth-oriented programs during the week.

"Young people are not only current and future credit union members, but consumers who control billions of dollars in economic activity"

— continued on page 11

FCUL Staffer Appointed to State Board by Governor

Florida Governor Jeb Bush has appointed Aletta L. Shutes, executive vice president of the Florida Credit Union League, to a position on the Florida Commission on Human Relations. Shutes will succeed Sharon L. Ofuani for a term beginning Nov. 7, 2001, and ending Sept. 30, 2005.

The Florida Commission on Human Relations is a state agency established by the Florida Human Rights Act in 1969 for the express purpose of enforcing Florida's anti-discrimination law. Subsequent laws expanded the authority of the Commission, culminating with the Civil Rights Act of 1992 that provides for punitive and compensatory

damages, as well as attorney fees.

Positions on the Florida Commission on Human Relations are voluntary and the members serve with no compensation. Service on the commission will not interfere with Shutes' position as executive vice president of FCUL.

Prior to her employment by FCUL, Shutes served more than 30 years in Florida government, including four years as Secretary of the Department of Administration. Shutes has served with FCUL for the past eight years.

Upon her appointment, Shutes said: "I am honored to be selected by Gov. Bush to

serve on this important board. I look forward to offering my experience in establishing the policies and direction of this commission. In addition, I will continue to work hard to serve the affiliates of the Florida Credit Union League in my capacity as executive vice president."



Aletta Shutes

Florida Credit Union Foundation

Dropping Interest Rates Bring Changes to Community Investment Fund

NCUF announces revised formula, introduces new 5-year CD



Connie Stoutamire

In response to continuing drops in interest rates, the National Credit Union Foundation (NCUF) announced that it has revised the distribution formula for the Community Investment Fund (CIF). The continued drop in rates has had an adverse effect on CIF, making it so that credit unions' charitable intent in participating in CIF was not being realized under the old formula.

"CIF was never intended to be a static program, but one that is flexible in response to the market and the giving environment," says John Fiore, chairman of NCUF and president/CEO of Motorola Employees Credit Union, Schaumburg, Illinois.

The NCUF Board has adopted the following revisions to CIF:

- A new 90-day account has been created that will be a 50/50 split between the

investor and NCUF. This provides the most flexible option for investors who want to keep funds in a 90-day account rather than tying them up at low rates for an extended period of time.

- A new 5-year fixed-rate CD has been created to offer higher returns, both for the investor and for NCUF (and state foundations, by way of NCUF's quarterly distributions to participating states).
- The distribution formula on all new fixed-rate CDs, whether 3 or 5-year, has been revised. The new distribution will be the first 2% to the investor, the second 2% to NCUF, with any additional funds in a rate environment exceeding 4% going to the investor.

According to NCUF officials, these changes are intended to keep CIF a viable option for charitable donations and for funding credit union development initiatives. Representatives of state foundations, leagues and corporate credit unions – as

well as U.S. Central – recognize the need to change and endorse these new formulas.

U.S. Central has agreed to waive all requirements/penalties/fees for credit unions moving funds from the current 90-day account into any of the other, more attractive options.

CIF is a three-way partnership between NCUF, the Association of Corporate Credit Unions (ACCU) and the American Association of Credit Union Leagues (AACUL). It is NCUF's primary mechanism for funding credit union development at the local, state, national and international levels.

For additional information on the changes, contact Kris Hoffman at 1-800-356-9655, ext. 4397. For investment information, contact your corporate credit unions.



Outsourcing Often Proves Beneficial

by Liz Russell, Human Resources Manager



Liz
Russell

An ever-increasing number of organizations are choosing to contract with outside providers for basic business process services. Since 1990 there has been an explosive growth in the use of outsourcing. From near zero when outsourcing first emerged in the late 1980s to \$100 billion in 1996 (according to Harvard Business Review) to an estimated \$318 billion by 2001.

In a survey of attendees at an outsourcing convention, 96 percent of the attendees expect outsourcing spending at their companies to increase over the next 12 months.

In a survey that included 304 of the largest global companies, it was found that 63 percent of these outsourced one or more of their business processes and, of those, 42 percent outsourced their human resource services. While the payroll function is commonly outsourced, it was also found that 19 percent of the companies outsourced their HR administration and 33 percent turned to another vendor for its benefits management.

Why would an executive hire an outside

company to provide a service that has traditionally been done in-house? The answer lies in the need of any organization to become more competitive in today's market and develop its core business.

It can be very difficult to focus on the essential elements of running a credit union when one is constantly being pulled away by personnel duties such as recruiting, benefits management, human resource law research and compliance, policy development, and the many other administrative duties that are very important but time-consuming. The more time a manager spends on the areas that do not directly produce revenue, the less time they have to devote to things that help the credit union, its members and employees.

One increasingly common resource for outsourcing human resource services is the Professional Employer Organization or PEO. In Florida alone, PEOs represent approximately \$900 million in annual payroll, while industry employment and revenue are currently growing at rates exceeding 25 percent per annum. While it is difficult to precisely calculate the "non-productive" administrative cost of being an employer,

data compiled from the U.S. Department of Labor and the Small Business Administration indicates that 8.45 percent of payroll is an estimated national average expenditure for small and mid-sized business administrative tasks. The advantages of outsourcing can be found in a study that reported that 91 percent of senior executives that were outsourcing HR services reported greater administrative efficiency and 86 percent said they can focus more on their company's core business.

The concept of outsourcing is simple: pay someone else a bit of money to take on the responsibility and liability for something that is necessary but keeps a manager from concentrating on the organization's core business. By outsourcing a service like recruiting, for instance, a manager can focus on infrastructure issues instead of worrying about staffing teller positions. The cost usually is less than providing direct services, the liability is shifted to someone who is specially trained in the area, and the benefit in terms of the bottom line is quite large.

For more information on outsourcing your HR needs, contact CU Personnel Solutions at (800) 342-1266.

FCUL Service Group Employee Announcements

The FCUL Service Group has hired Karen Braswell as the new vice president of marketing.

Karen has a master's degree in marketing, as well as a multitude of strategic marketing experience in various industries, including several years with K-Mart International.

Congratulations to Scott Morgan, who was recently promoted to vice president of financial services for FCUL Service Group.

Scott has worked with varying responsibilities in the Accounting

Department since 1996. Scott has gradually assumed additional responsibilities such as performing outside accounting work for FCUSS and CU24, developing the Florida audit program for credit unions, and managing a multitude of other projects related to development of products and services.



Scott Morgan

National CU Youth Week to be Introduced in 2002

continued from page 9

Heckman adds that CUNA is working with the Cooperative Extension System and with leagues and other credit union organizations, most notably the Education Credit Union Council and the National Youth Involvement Board (NYIB), to build support and awareness of National Credit Union Youth Week. The NYIB's network of credit union volunteers makes presentations on financial literacy issues to students in the classroom. Last year, more than 130,000 students received financial information through NYIB-sponsored classroom presentations.

FCUL Calendar of Events

JANUARY 2002

Date Event

Regional

- Cross Selling IRAs**
- 23** Pensacola - Fee: \$65
24 Panama City - Fee: \$65
- 30** **New Credit Union
President/CEO Manager
Orientation**
Tallahassee
- 30-31** **Legislative Summit**
Tallahassee - Fee: \$100

FEBRUARY 2002

Date Event

- 5-7** **Lending Institute**
Orlando - Fee: \$395
- 12** **FCUL Internet Distance
Learning**
Web cast - Fee: \$149
- Cross Selling IRAs**
- 12** Jacksonville - Fee: \$65
12 Orlando - Fee: \$65
13 Miami - Fee: \$65
14 Ft. Lauderdale - Fee: \$65
14 West Palm Beach - Fee: \$65
- 20-21** **ALM Institute**
Orlando - Fee: \$375
- Cross Selling IRAs**
- 26** Sarasota - Fee: \$65
26 St. Petersburg - Fee: \$65
27 Tampa - Fee: \$65
27 Gainesville - Fee: \$65

CHAPTER MEETINGS

For further information please refer to
the League web site

www.fcul.org

Central Florida Chapter
January 17 • February 21

Escambia Chapter
January 17 • February 21

Gulf Coast Chapter
February 14

Northeast Florida Chapter
February 21

Suwanee River Chapter
February 19

Tallahassee Chapter
January 17 • February 21

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