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CREDIT UNIONS™



FCUL

Florida Credit Union News

A publication of the Florida Credit Union League

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Survey reveals growing public distrust of investor-owned corporations

Consumers trust more accountable businesses, prefer cooperatives

As federal regulators scrutinize corporate governance and board election practices, survey results found that less than half of Americans think investor-owned corporations are ethically governed. The survey found significantly greater public trust in businesses that provide more consumer control and board accountability.

The survey of 2,031 adults, released by the National Cooperative Business Association (NCBA) and the Consumer Federation of America (CFA), found that two-thirds of consumers believe businesses that are owned and governed by their customers and have consumers on their boards of directors are more trustworthy than those that do not. A majority also found companies that allow customers to democratically elect the board of directors, and are locally owned and controlled to be more trustworthy.

Co-ops Rate Higher Than Investor-owned Corporations

The survey also found that consumers rate businesses that have these governance characteristics—cooperatives—higher than investor-owned companies. Co-ops are owned and governed by their members—the people who use their services or buy their goods—rather than by outside investors. Member-owners directly elect the board of directors from within the membership and the business returns surplus

revenues to the members, not to outside investors. More than half of adults in the U.S. say they're members of cooperatives. NCBA's CEO and President Paul Hazen said that more than 75 percent of those surveyed agreed that co-ops run their businesses in a trustworthy manner compared to just 53 percent for investor-owned companies. More than two-thirds agreed that consumer-owned co-ops are ethically governed, while just 45 percent said the same of investor-owned corporations.

Asked whether consumer co-ops have the best interests of consumers in mind when conducting business, 77 percent of Americans agreed they did. Fewer than half said the same of investor-owned counterparts. Co-ops also rated higher than investor-owned companies by wide margins on questions of value, quality, price, and commitment to their communities.

"Public trust is the first casualty of corporate accountability scandals," said CFA Executive Director Stephen Brobeck, at a press conference. "Fortunately, this survey demonstrates that there's a solution to consumer concern about their lack of control that goes beyond anything the Securities and Exchange Commission, the New York Stock Exchange, or Congress are willing to do. Consumers believe the nation's more than 40,000 co-ops offer

ICU Day celebrates "The Heart of Our Communities"

For 55 years, credit unions have set aside the third Thursday in October to celebrate International Credit Union Day. Each year, it gives us an opportunity to remember our proud history as we promote understanding and support for the credit union difference.

In 1848, Friedrich Raiffeisen, mayor of Flammersfeld, Germany conceived of the idea for a credit union to help ease the distress of farmers suffering from the famine that had struck his district. Today, more than 118 million people belong to 40,200 credit unions around the world.

Member service is the foundation of the credit union movement. Whether a credit union is providing a loan to help a member cover unexpected medical bills, giving financial counseling to a member whose company closed its doors, or simply offering a better deal on a used car loan, the credit union is making a difference for its members and the community as a whole.

In the 2002 American Banker/Gallup Consumer Survey, credit unions ranked #1 again in consumer satisfaction—18 years and counting. The survey gave credit unions higher ratings than banks and other financial institutions on trustworthiness. And we are



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Florida Credit Union League Board of Directors

Greg Blount, Chairman
At Large Director

Tropical Financial CU

John Hirabayashi, 1st Vice Chairman

At Large Director

Educational Community CU

Jace Reyes, 2nd Vice Chairman

District #7 Director

Miami Postal Service CU

Chris Brooks, Treasurer

At Large Director

Monsanto Employees CU

Mary Wood, CCUE, Secretary

At Large Director

Florida West Coast CU

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District #1 Director

Bay CU

Melba Jordan, CCUE

District #2 Director

State Employees CU

Jim Taylor

District #3 Director

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District #4 Director

Central Florida HealthCare FCU

Richard Helber

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GTE FCU

Thomas J. Shea

District #6 Director

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Tim Baldwin

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San Antonio Citizens FCU

Carolyn Parslow

At Large Director

Suncoast Schools FCU

The *Florida Credit Union News* is a monthly publication of the Florida Credit Union League. For business information or subscriptions, write the Florida Credit Union League, call 800.342.1266, or e-mail amy.jowers@fcul.org.

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Cookie, anyone?

In the 1930's, a tax-exempt organization began an operation that was originally designed to raise money so that the organization could continue to serve the many communities it was located in. The Girl Scouts of America began baking cookies and selling them to a willing audience in 1936. From humble beginnings in the depression years, in which girls and their mothers actually baked the cookies in their own homes and then went out and sold them, today, the Girl Scouts have established a firm and ever growing market for their cookies.

The Girl Scouts during 2002, nationwide, sold approximately 200 million boxes of their delicious and highly sought cookies. In fact, according to one industry source, one Girl Scout cookie, Thin Mints, is the third most popular cookie sold in America, ranking only behind Nabisco's Oreos and Chips Ahoy.

The point is that it is obvious by these statistics that Girl Scout Cookies occupy a very prominent place in the cookie industry. Sales of the cookies have steadily risen every year for the past thirty years. The Girl Scouts obviously offer a product that the public likes, and the proceeds are used to advance the principles and goals of the Girl Scouts. Yet, even though the Girl Scouts are selling enough cookies to present serious competition to the for profit cookie companies, you've never heard any of those companies call for taxation of Girl Scout Cookies. You've never heard anyone from Keebler or Nabisco suggest that the Girl Scouts have an unfair advantage over them.

If you assume that the Girl Scouts receive \$3 for every box they sell, the total gross sales amount of their cookies probably approaches \$600 million annually. Of course, compared to the cookie giants, Keebler and Nabisco, they are still pretty insignificant. Kraft Foods, which owns

Nabisco, had total sales last year of \$21.4 billion, while number two cookie maker Keebler had total sales of \$2.657 billion.

Yet, even with all this success the Girl Scouts have had, Keebler and Nabisco have remained silent. Keebler, in fact, works with the Girl Scouts as one of the major national bakers who actually make the Girl Scout Cookies.

One wonders why the banking associations can't look at the example the cookie manufacturers have set in relation to the Girl Scouts. It is obvious if

you look at the statistics that the Girl Scouts present serious competition to the for profit cookie makers. Certainly, they have a bigger presence in the cookie market than credit unions have in the financial services industry. I mean, Thin Mints is number three in sales, something no credit union can claim when compared to giants such as Bank of America, Wachovia and other banking behemoths.

Credit unions, for different reasons, are exempt from Federal income tax. But the purpose and reason for the exemption is similar. Credit unions, like the Girl Scouts, exist to serve their communities. Credit unions, through their structure, are able to offer lower cost financial services that benefit all consumers. They have earned their exemption. They in no way are even close to threatening the absolute dominance that banks enjoy in the economy.

Since I'm sure that even the coldest banker probably buys a box or two of Girl Scouts Cookies, they might ponder these thoughts while enjoying their Thin Mints.



*Guy M. Hood
President/CEO*



Survey reveals public distrust

— continued from front page

more democratic, accountable options and trustworthy options. And those are options they clearly prefer.”

Consumer Preference for Cooperatives

Asked whether they would be more or less likely to buy products or services from a business if they knew it to be a cooperative:

- **73% were more likely to buy products from a food cooperative**
- **71% were more likely to use a credit union**
- **69% were more likely to patronize independent, local businesses that belonged to a buying co-op**
- **69% were more likely to purchase food produced by a farmer-owned cooperative**
- **67% were more likely to buy electricity and telecomm services from a local utility co-op**
- **56% were more likely to use day care services provided by a parent-owned co-op**
- **55% were more likely to prefer health care services offered by a consumer-owned provider**
- **51% were more likely to hold policies with a mutual insurance company**

Hazen said consumers also demonstrated particularly strong support for farmer-owned cooperatives, with more than 80 percent agreeing these co-ops strengthen rural communities and help farmers succeed. Sixty-four percent agreed that food products produced by farmer-owned cooperatives were of higher quality than those produced by other types of companies.

Co-op Members Rate Co-ops Higher, Consumers Need More Information

Though the survey found a majority surveyed preferred to do business with co-ops and rated them more highly than investor-owned corporations, trust and preference for co-ops was even stronger among those who said they were already members of cooperatives.

“The survey demonstrates that

consumers know co-ops by their reputation for quality service and products,” Hazen said. “And those who are already members of co-ops have an even stronger loyalty to, and preference for them. Regardless of how you measure it—in terms of cost savings, value or satisfaction—consumers can get more for their money at cooperatives.”

According to the Credit Union National Association, the average credit union household saves \$149 per year by belonging to a credit union rather than a bank or a thrift. University of Minnesota research found that owners of cooperative housing save \$16 per unit per month in operating costs compared to rental units. And retail co-op members receive savings through member discounts or through end-of-year dividends. Members of other cooperatives also receive end-of-year dividends.

“The challenge is in raising consumer awareness of and access to cooperatives,” said Hazen who, together with Brobeck, urged state and federal consumer bureaus to make more information about cooperatives available to consumers.

Methodology

Opinion Research Corporation surveyed 2,031 adults during July 24-28. At a 95 percent confidence level, the maximum expected error is +/- two percent. The survey was sponsored by NCBA and a coalition including CUNA, the National Association of Federal Credit Unions, the National Cooperative Bank, the National Milk Producers Association, the National Rural Electric Cooperative Association, the National Rural Telecommunications Cooperative, the National Rural Utilities Cooperative Finance Corporation, and the National Telecommunications Cooperative Association.



Look at this!

Golf, golf, & golf.

What:

The first ever, annual Credit Union Panhandle Golf Invitational!

When:

Thursday, November 20, 2003
11 a.m. registration*
Noon Shotgun Start

Where:

Scenic Hills Country Club
8891 Burning Tree Drive
(off Nine Mile Road)
Pensacola

Why:

To benefit Florida CUPAC

Registration deadline:

Friday, November 14, 2003

Sponsorship opportunities available!!

For more information, contact Grace Potter Freni at the League, 800.342.1266, ext. 1010.

* A box lunch will be provided before the Shotgun Start and a BBQ and awards program will follow the tournament.

Credit Union Political Action

Hike the Hill



*Aletta Shutes,
Executive VP,
FCUL*

During the FCUL Hike the Hill last month, more than 50 Florida credit union professionals and volunteers shared our industry's issues directly with 20 out of 25 Congressmen and one Senator. This may have been a record—typically half the delegation is away from the office and legislative aides take our meeting, but this trip just four meetings were held with legislative staff. Because of scheduling difficulties, it was not possible to meet with two congressional offices.

Congressman Tom Feeney, one of Florida's newest members of Congress and a member of the Financial Services Committee, was to have been our speaker for the Hike the Hill dinner, but he was called away for votes until late in the evening. Brandon Steinman, his Legislative Director, came and spoke to the group in his stead.

Also at the dinner, John McKechnie, CUNA's Senior Vice President for Governmental Affairs, and Linda Gualtieri, Manager of Legislative Affairs, presented the formal Hill Briefing to get the group ready for the next day of meetings.

Apart from some minor bumps in the road, like the group getting on the wrong bus which was headed to Baltimore rather than back to our hotel, the event was a success. The next national lobbying event will be in February 2004 at CUNA's Governmental Affairs Conference. Please be sure to read the article on the next page of this newsletter about that event and make your plans to attend.

On the hill



Central Florida credit union leaders visit with U.S. Rep. Dave Weldon (seated). Also pictured is Trudy Prince, CCUE, Central Florida Healthcare FCU; Denise Gale and Cassie Lindenauer, Martin FCU; Linda Gualtieri, CUNA; Lynn Owen, Insight Financial CU; and Phillip Tischer, Fairwinds CU.



L to R: U.S. Rep. Cliff Stearns; Mark Landreth, FCUL; Melba Jordan, State Employees CU; John Hirabayashi, Educ. Community CU; Margaret Durbin Condrill, CUNA; and Joe Lanteigne, Mercy CU.



U.S. Rep. Jim Davis and Dale Schumacher, CCUE, of Tampa Bay FCU talk about Project Zip Code.



Credit union leaders from THE CU of Palm Beach County, Gold Coast FCU and the World Council of Credit Unions meet with U.S. Rep. Mark Foley (eighth from the left) to discuss Florida issues as well as efforts being made to form financial cooperatives in Afganistan and Iraq.



L to R: Grace Potter Freni, FCUL; Greg Blount, Tropical Financial CU; Jace Reyes, Miami Postal Service CU; U.S. Rep. Lincoln Diaz-Balart; Linda Lanteigne (Joe's wife); Henry Prior, Power 1 CU; and Joe Lanteigne, Mercy CU.



L to R: David Snyder and Aaron Bowden, Florida Commerce CU; Dan Clark, Tallahassee-Leon FCU; U.S. Rep. Allen Boyd; Wesley Atkins, Bay CU; Rich Helber and Doris Seckman, GTE FCU.



L to R: Joe Lanteigne and his wife Linda, Mercy CU; Greg Blount, Tropical Financial CU; U.S. Rep Ileana Ros-Lehtinen; Jace Reyes, Miami Postal Services CU; and Henry Prior, Power 1 CU.

Lawmaker: Project Differentiation makes a difference

A congressman has confirmed what many credit unions already know: Completing the Project Differentiation documents and using them as an educational tool when meeting with legislators help get their point across that credit unions are different from other financial institutions.

According to the New York State CU League (*League Lines* Aug. 25-29), U.S. Rep. Maurice Hinchey (D-New York) confirmed the value of completing Project Differentiation: Statement of Commitment to Members, after Frank E. Berrish, president/CEO of the \$1.4 billion asset Visions FCU, Endicott, N.Y., used it as a tool in a meeting with Hinchey.

Hinchey acknowledged that the document made an impression on him. In a letter to Berrish after their meeting, Rep. Hinchey writes, "You must remember...that banks will always have more resources than credit unions. Credit unions, however, will always have the devoted support of

their members when it comes time to fight these battles in the halls of Congress. You can't put a price tag on loyalty like that. Credit unions have earned this support by providing the kinds of services you described in 'Project Differentiation.'"

Berrish knew he'd done the right thing. "It is the responsibility of every credit union CEO to challenge their staff to draft a Differentiation statement for their credit union and then present the Differentiation statement to all elected officials in their service area," Berrish says. "After all, if we do not take the time to acquaint our elected officials on how we are different from the banks and all the good we do, then the banks will have the advantage."

Credit unions can use Project Differentiation as a strategic planning guide, a tool for positive public relations, and for developing select employee groups.

Tallahassee Chapter hosts "Meet & Greet"

Four out of the six elected state officials that represent the credit unions and members of the Tallahassee Chapter attended a "Meet & Greet" held last month. Sen. Al Lawson (D-6), Rep. Curtis Richardson (D-8), Rep. Lorraine Ausley, (D-9), and Rep. Will Kendrick (D-10) came to the breakfast to speak with leaders from nine credit unions. All the representatives were very complimentary of the work credit unions have done to help the local economy and help the members of their credit unions when Tallahassee has been hit by the downsizing of the State of Florida.

Special thanks to Tom Napier, a volunteer Board Member of Sunshine State Credit Union and Deb Woodlief, Collection

Manager of SCORE FCU and Chapter President, who helped organize the event with support from League staff.



(L to R): Sen. Al Lawson, Deb Woodlief, SCORE FCU, and Kenn Rice, Florida Rural Electric CU.

2004 CUNA GAC schedule change

The dates for the 2004 CUNA Governmental Affairs Conference are Sunday, February 22 through Wednesday, February 25. Please note there will be a significant change in the 2004 conference schedule. The day and time reserved for Capitol Hill visits will be Wednesday morning (Feb 25) of the conference, rather than Tuesday afternoon as has been the past practice for many years.

CUNA's reason for the change is when there are no floor votes occurring on Tuesdays, more members of Congress are not returning to Washington from their weekend trips home until Tuesday evening. As a result, more leagues (including Florida) have expressed frustration that their members of Congress are unavailable to meet with their delegations on Tuesday afternoon during the GAC.

With this change, other changes must occur as well. There will be preliminary sessions and the Exhibit Hall opening on the Sunday of the GAC; a full day of conference programming both Monday and Tuesday; the gala reception on Tuesday night; then Hill visits Wednesday morning (there will be no Wednesday morning programming) and the conference will end with the Hill visits.

The Florida League will continue to arrange Capitol Hill visits and organize intimate dinners with members of the Florida delegation on behalf of the Florida leaders attending the GAC.

CUNA and the Florida Credit Union League believe this change will result in a more productive conference for credit unions. Feel free to contact the FCUL Governmental Affairs Staff at 800.342.1266 if you have any questions.



Regulatory Update

Bill Berg, CCUE, CUCE, director of compliance, 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 ext. 1028, FAX to 850.558.1029 or e-mail billb@fcu.org.

Annual Privacy Notice

If your credit union has not sent its annual privacy notice this year to your members, a conjunctive mailing along with your September statements will be the last quarter end mailing that permits you to meet the requirement this year.

Your notice must be clear, conspicuous, and written in such a way that receipt can reasonably be expected and in a form that can be retained. It can be included as a newsletter article, at the beginning or end of the member's statement, or as an insert with the member's statement.

e-Guide posts new topic on IRS actions

CUNA has updated its *e-Guide to Federal Laws and Regulations*, adding a new resource for credit unions that explains the IRS' authority to summons records, papers, and other data that may be held by credit unions.

The Treasury Department may issue an IRS summons for the purpose of inquiring into "any offense connected with the administration or enforcement of the internal revenue laws."

An IRS summons can also be issued to a credit union as a 'third-party recordkeeper' requesting that a member's financial records be produced to the IRS. When a third-party summons is issued, the person about whom the summons was issued must be served a notice of the summons and has the right to file a petition to quash the summons. The credit union must start collecting the records and prepare to produce the records immediately after getting the summons.

Although IRS is required to provide notice to credit unions, the IRS does not have to provide notice to the member or comply with the waiting period for certain types of summonses. Your credit union should examine any summons it receives to see if an exception applies. If an exception applies, your credit union does not have to

wait before producing records and can not notify the member it has received a summons.

Credit unions can recover the cost of complying with a summons so they should maintain records of all costs associated with producing records for the summons.

The *e-Guide* contains information about IRS levies on member deposits in a credit union as well. Levies may include member deposits, such as shares, certificates of deposits, club accounts, and joint accounts.

Retirement Benefits for Federal Credit Union Employees

The National Credit Union Administration (NCUA) Board unanimously approved a final rule for federal credit unions (FCUs) regarding reasonable retirement benefits for their employees and officers. NCUA had issued two proposals on this rule—one in December 2001 and a revised proposal in September 2002.

In the final rule, NCUA clarifies that the scope of the rule is not limited only to retirement benefits but is more broadly applicable to other employee benefit plans. The intent of the rule is to provide FCUs with flexibility to use safe, reasonable and efficient methods to fund their employee benefit obligations.

The rule is now renamed "Benefits for Employees of Federal Credit Unions." An FCU investing to fund an employee benefit plan obligation may purchase an investment that would otherwise be impermissible if the investment is directly related to the FCU's obligation or potential obligation under the employee benefit plan and the FCU holds the investment only for as long as it has an actual or potential obligation under the employee benefit plan. In the Supplementary Information section of the final rule, NCUA indicates that if an FCU is holding an otherwise impermissible

investment to fund an employee benefit, the FCU's records should reflect that fact. NCUA lists the types of information in an FCU's records that would demonstrate such a purpose. In addition, the FCU must comply with safety and soundness standards by ensuring that the kind and value of employee benefits it offers are reasonable given its size and financial condition as well as the duties of the employees. Finally, an FCU acting as a fiduciary of the plan must obtain appropriate liability insurance coverage according to the Employee Retirement Income Security Act of 1974 (ERISA). The final rule clarifies that ERISA describes certain kinds of insurance coverage and permits certain parties to purchase that insurance but does not require any party to purchase insurance.

Under the proposal, defined benefit plan, as opposed to defined contribution plan, investments were required to meet additional criteria. Based on the comments of CUNA and others, NCUA decided not to distinguish between defined benefit and defined contribution plans in the final rule or place additional requirements on defined benefit plans not covered by ERISA. Since NCUA believes that defined benefit plans not subject to ERISA pose additional risks for FCUs, the final rule includes guidance stating that if an FCU makes such investments, then it should diversify its investment portfolio to minimize the risk of large losses, unless it is clearly prudent not to do so under the circumstances. The final rule also applies to corporate credit unions.

STAR, VAP and MERIT Certificates

Congratulations to the following individuals who have earned certification levels in the Staff Training and Recognition (STAR), Volunteer Achievement (VAP), Volunteer Leadership Program (VLP) and Mid-Manager's Enrichment Training (MERIT) Programs. Additionally, we salute these credit unions who have recognized the importance of investing in their most important assets ... their staff and volunteers.

VAP CERTIFICATES:

Florida Telco CU: George Cauley, Raymond Clanton

Orlando FCU: Robert Hamilton

Sarasota Coastal CU: Donald Galloway

Tyndall FCU: Virginia Specht

STAR CERTIFICATES:

Bay Pines FCU: June Terry

Broward Schools CU: Josephine Thelwell

Campus USA CU: Tonya Brown

Central CU of Florida: Barbara Callins

Central FL Healthcare FCU: Mari Ani Camchong, Traci Kresl, Yesennia Larrazabal, Heather Smith

Community Educators CU: Lisa Browder, Nicole Carluccio

Duval FCU: Qshawn Smith, Wilchele Singleton

Fairwinds CU: Sharon Kern, Simone Sterling

Flag CU: Tanya Joyner, Jeanette Williams

Florida Central CU: April DelaVina, Julie Flatt, Aimee Portillo

Florida Commerce CU: William Dixon

GTE FCU: Kimberly Bevis, Ursula Bernstein, Kristina Belkola, Bonnie Castillo, Hector Crespo, Rose Delgado,

Erin Dennis, Holly Hindman, Sharyn Kunkel, Jeffery Lilley, Susan Lowrance, Sonja Newhart, Cheryl Patton, Deborah Peetz, Vivian Simmons, Karen Smith, Mary Stevens, Sonia Sullivan, Yvette Tant

Harvesters FCU: Deborah Baker, Marcia Taylor

Insight Financial CU: Melinda Butler, Marjorie Campbell, Deanna Mancil, Angela Toth

NCSC FCU: Norma Mefford, Iva Watson

Pen Air FCU: Carol Cole, Melissa Guerrero, Tina Linn

Pinellas County Teachers CU: Estella Baggett, Susan Bayes, Kathleen Chambron, Connie Thomas, Tammy Williams

Sarasota Coastal CU: Jennifer Heelan

Suncoast Schools FCU: Michael Berens, Cindy Brust, Linda Calafiore, Melissa Chappell, Melanie Craig, Heather Cudworth, Nilsa Farriss, Ann Fischer, Janice Hall, Desmond Humes, Julie Hunter, Karen Marcellin, Tonya Morrison, Vanessa Rodriguez, Marylyn Sanders, Betty Tom, Yvonne Torres, Shirley Vergara

Sunshine State CU: Lisa Arnold, Lana Dupont, Shawn Robinson

Tyndall FCU: Luvenia Dunklin,

Pam Griffin

VyStar CU: Leigh Bishop, Jan Blais, Keesha Clay, Patricia Cochran, Michael Cooper, Jill Cruz, Julie Dedmon, Dionne Gary, Melissa Gibbons, Pamela Goodwin, Odessa Grissett, Nicole Hughes, Tarra Johnson, Laura Lancaster, Susan Leisher, Belinda Lerche, Marnita Lewis, LaSonia Long, Victoria Mershell, Helen Moody, Deborah Oliver, Kristina Pogue, Miranda Quick, Dustin Reed, Laura Schaibley, John Silliman, Linda Tufano

MERIT CERTIFICATES:

Educational Community CU: Beverly King

Florida Central CU: Sabrina Drzal

GTE FCU: Kimberly Bevis

Suncoast Schools FCU: April Flasher

Tyndall FCU: Che Lin Shaw

VyStar CU: Robin Simcoke, Kasey Taylor



Don't forget to mark your calendars for the
FCUL Annual Convention & Exposition coming
up June 17-19 of 2004.

Happy Halloween!!



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

Tampa Bay FCU introduces it's newest bus, err...branch

Tampa Bay FCU has introduced its newest branch...a custom coach conversion of a British Double Decker bus.

The 1982 British Leyland Double Decker Bus is a British bus, formerly used as public transportation in Great Britain. "These double decker buses are extremely rare in Florida (and the U.S), so we had our bus imported directly from England," said Eddie Hamp, SVP/Marketing for the credit union. And yes, the steering wheel is on the (wrong) right side of the bus.

The double decker bus measures 31 feet long, and 13 1/2 feet high, and is powered by a 190HP British Leyland diesel pusher. It can seat 30 people in the upstairs deck and 12 people in the converted custom coach downstairs. The downstairs areas have two New Account stations, a bathroom, TV and surround system, and a refrigerator and sink. A fully functional ATM is accessible from the outside.



Tampa Bay FCU's branch on wheels.

Lt. Gov. Jennings speaks at Grand Re-Opening

Lt. Governor Toni Jennings gave a special dedication during the Grand Re-Opening of the remodeled FAIRWINDS Baldwin Park Service Center. Jennings praised FAIRWINDS for their participation and support of the Central Florida community and welcomed FAIRWINDS back to Baldwin Park.



Lt. Governor Toni Jennings (with scissors) helps with the official ribbon cutting.

VyStar CU named top CU by Navy

VyStar Credit Union was recently named Credit Union of the Year by the Department of Navy for its contributions to military-related activities and awards programs such as the NAS Jacksonville Air Show, annual military appreciation luncheons, high school Navy ROTC programs and the U.S. Marine Corps Toys for Tots.

"Through the years, we have expanded our field of membership to bring the benefits of credit union service to more individuals; however, serving military and civil service personnel and their families remains a core focus," said Terry West, VyStar president/CEO.

Florida Commerce CU Voted "The Best in Tallahassee"

Florida Commerce Credit Union was voted "Best of Tallahassee" for credit unions in the most recent poll sponsored by the March of Dimes and Tallahassee Magazine. This poll represents the opinions of local area consumers who responded to the survey.

"Florida Commerce appreciates this recognition from the community because it indicates we're providing the kind of service Tallahassee wants and deserves," said Samantha Strickland, Director of Marketing.

A new branch in sight

The new 37,000 square-foot headquarters of Insight Financial Credit Union in Maitland is completed. The new facility includes all of Insight Financial's administrative offices.

The three-story facility also features a full-service branch with an ATM, four drive-up lanes and high-tech multimedia components inside and out. You may also enjoy coffee and biscotti while utilizing the internet café.



Insight Financial's Maitland Branch & Administrative Center

A vision of art...

Recently, **Envision CU** held an art exhibit for all of the Leon County students who's art work appeared in its 2003-2004 academic planner.

The credit union hosted the reception for the students to showcase their work and to thank them for making the planner so special. Parents, art teachers and principals were also invited to show their appreciation to the kids. Each student was awarded a \$50 savings bond, handed out by Leon County School Superintendent Bill Montford and School Board Member Sheila Costigan.

The art work will be on display at each of Envision's Financial Centers.

Front cover of the academic planner.



Northeast Florida Chapter 2003 graduates of CUEP

The Northeast Florida chapter is pleased to announce the 2003 list of students who have completed the requirements for the Credit Union Education Program (CUEP).

The CUEP was formed by the Northeast Florida Chapter in partnership with Florida Community College at Jacksonville (FCCJ) in 1975. Each term the CUEP's advisory committee, chaired by David Allen of Vystar CU in Jacksonville, develops the curriculum in consult with the college. Courses include:

- Foundations/Structures of CU
- Mortgage Lending
- Financial Counseling
- Collections
- Human Behavior
- Business Mathematics
- Effective Writing
- Marketing
- Accounting
- Financial Management
- Fundamentals of Member Services
- Consumer Lending
- Foundation/Structures of CU

To receive a Credit Union Education Program certificate, a student must complete six of 12 offered classes. A student completing all 12 classes will qualify for a vocational certificate from the State of Florida.

Those who completed the requirements: Melody Bailey, ECCU; Jennifer Bendetti, ECCU; April Boree, VySyta CU; Janese Cain, ECCU; Kathleen Daniels, Coastline; Mary Ann DeSalva, ECCU; Dimaris Arzola-Diaz, VyStar CU; Nirvana Drafic, VyStar CU; Lisa Hollis, ECCU; Lauren MacGilliary, ECCU; Anna Nisson-May, ECCU; and Nancy Nicol, ECCU.



2003 graduates of the CUEP.

Campus USA CU receives 'Business of the Year' award

Campus USA Credit Union, in its category of 101 or more employees, was awarded the 2003 Alachua County Business of the Year Award which is sponsored by the Gainesville Area Chamber of Commerce. The credit union has raised more than \$150,000 for Shands Children's Hospital at the University of Florida.

"The award winners' generosity has included not only charitable donations, but thousands of volunteer hours at local non-profit organizations," said Brent Christensen, chamber president.

Florida State University Credit Union names new CEO



J. Bradley Blake

Florida State University Credit Union announced a changing of the guard naming J. Bradley Blake as its new president and CEO. This came into effect in August. Blake has been employed by the credit union for nine years and has served as second in command for the last four years. He is succeeding Randall J. Mims, who left the credit union after 10 years of faithful service to pursue other interests.

Florida State University Credit Union's Board of Directors selected Blake after

interviewing a variety of qualified candidates. "We were looking for an innovative leader with a good financial and management background that possessed effective communication skills," said Kurt Hamon, Florida State University Credit Union Board Chairman. "We had some excellent people apply. We searched nationwide and then found the best candidate in our own back yard."

Components of performance management



Due to the abundance of performance management systems, making a selection can be overwhelming. These are all systems that have been tried and tested; some people love them and some dislike them. There are articles stressing the importance of yearly evaluations with quarterly updates and articles arguing that performance reviews should be scrapped altogether. I have talked to people who have found them a necessary evil and to people who swear they are the best thing since sliced bread.

Confusing? Yes, but the essential point is that it's not the system that counts; it's the intent behind the system. Most performance management systems have similar components: *goals or standards*; *observations*; and *measurement*. Two popular methods of conveying this information are by conducting a *review* or an *appraisal*.

Most systems establish either *goals or standards* to be discussed at the end of a predetermined period of time. Understanding the difference between a goal and standard is important. Having a goal is a proactive state of affairs, implying a target at which to aim or an objective to achieve. A standard is a more passive concept, giving employees a benchmark against which to measure themselves. Many credit unions can appreciate this difference as they begin developing incentive programs and requiring employees to achieve goals rather than meet standards. Goals and standards can focus on the individual, on the department, on the organization as a whole and can even include, or not, the outside world (i.e. the member).

Observations are an integral part of performance management and can be scheduled to be done at a pre-determined time. Keep in mind, though, that effective managers are in a constant state of observation coupled with feedback. The necessity of documenting these observations

can validate the purchase of good performance review software. Keeping up with numerous employees, performance issues, observations and conversations can be daunting and difficult to assure consistency between diverse managers. A good software program makes it easier to track the documentation and gives suggestions for wording and phrasing to convey the desired message as well as providing a means of summarizing the data at the end of an assessment period.

Once you've set the goals or standards and made your observations, you need a method for *quantifying* your results. Ranking or forced distribution is a popular method in certain industries. Simply put, employees are ranked against each other and categorized accordingly. Rating has more of an aspect of measuring—assigning a weight to a goal or standard according to how well these were met. Rating has become increasingly popular as there is more emphasis on evaluating an employee based upon individual achievement, thus reducing the possibility of being seen as discriminatory.

Now, if you'll excuse the pun, for the real "meet" of the performance management system: the *review* or *appraisal* session. A review has the implication of taking a retrospective view or survey, focusing on behaviors that occurred in the past. An appraisal has a more evaluated implication and is designed to judge the quality or worth of a goal or standard. To achieve this, goals or standards are measured to see which ones have been met, then the majority of the session is used to focus on developing new goals or standards for the upcoming appraisal period.

As you consider your choices in performance management systems, it's important to keep the purpose of these components in mind and develop a system that helps your credit union achieve its own goals.

Speaking of Project Differentiation...

The following credit unions have completed the new Project Differentiation survey! Since the implementation of the new, shortened version of CUNA's survey, several credit unions have stepped up and completed this survey, which will help us send our message to legislators across the country.

Tampa Postal FCU
Putnam County Teachers CU
Power 1 CU
UCF FCU
Florida Hospital CU
HSN FCU
Tallahassee FCU
Jax Glidco EFCU
Holmes Washington Teachers CU
Campus USA CU
Jax FCU
IBM Southeast Employees FCU
Coast to Coast CU

Thanks again to all the other credit unions that completed the old survey:

Central CU of Florida
Community Educators CU
Fairwinds CU
Florida Central CU
Florida CU
Gold Coast FCU
Kennedy Space Center FCU
Martin FCU
Pen Air FCU
Sarasota Coastal CU
SCORE FCU
Suncoast Schools FCU
THE CU of Palm Beach County

If you would like to receive more information about Project Differentiation or if you would like a copy of the new survey, contact Grace Potter Freni at 800.342.1266 ext. 1010.

Protecting members #1 tip in budget trends for 2004

No one can deny the stress that the annual budgeting process takes on any given organization every year. Now with the ever-growing presence of the technology age, credit unions must learn the delicate balance of staying competitive to meet member needs while sticking to budgeting allotments.

Vicki Joyal, CUNA's VP of Research Services and publisher of the Credit Union Environmental Scan (E-Scan), offers the following tips and trends for 2004 planning and budgeting:

1. Plan to protect your members. Security issues and controls will become paramount. Much more emphasis will be placed on preventing and managing fraud, network breaches, identity theft, robberies and terrorist attacks. Budget for enhanced ATM security features, including Triple DES compliant encrypted PIN-pads. Educate your members about how to minimize their risks.

2. Plan to serve emerging markets. The composition of America's population is rapidly changing—the Hispanic/Latino and Asian populations are slated to grow by 75 percent in the next twenty-some years. By 2025, America will no longer have one dominant racial/ethnic group, and serving this emerging diverse marketplace will be key to economic survival. Consider adding or upgrading to primary language ATMs, and plan to add primary language call centers and online services down the road.

3. Plan to explore or expand service to small businesses. Small businesses represent a large and growing segment for financial services institutions. The profitability of small business relationships will increasingly depend on enhanced loan revenue and fee-based services, yet financial institutions will be vying for market shares of traditional deposit and credit services—foundation products upon which financial relationships are built. Plan now to expand your ability to receive commercial deposits.

4. Plan for increased efficiencies in check clearing. H.R. 1474, Check Clearing for the 21st Century (Act), is in its final stages of passage. It is expected that the Act will allow for the expansion of digital data and image presentation; that is, credit unions would be able to truncate their check routing process by electronically capturing paper checks/share drafts and using those images for the check collection and return process. Plan to take advantage of the objectives and efficiencies resulting from the anticipated passage of this Act, and budget to upgrade your equipment if necessary.

In order to assist credit unions with many of these capital expenditures, CUNA has once again asked its strategic alliance providers to create special pricing on key products to fulfill credit union needs.

Providers such as Diebold, Canon, and several others all have special pricing offers starting October 1, 2003 through March 31, 2004.

To obtain a brochure with special offers, call CUNA Member Services at 800.356.8010, press 3, and ask for stock number 23381-PR. A PDF file of the brochure can be obtained online at www.alliances.cuna.org.



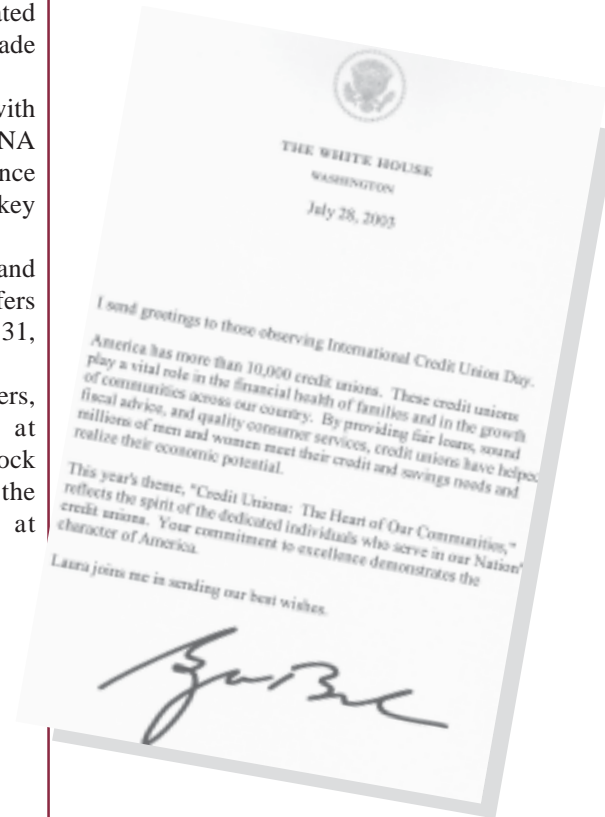
ICU Day

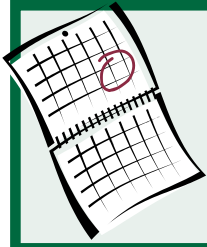
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first in service. The poll found more people who use credit unions as their primary financial institution say the quality of their service is improving compared to those who use banks.

This ICU Day, we are excited to see how many people are helping show why we are the heart of the community.

Letter from President Bush:





FCUL Calendar of Events

October 2003

Date	Event
14-20	Credit Union Week
22-24	CU Leadership Conf. & Dinner Cruise St. Pete Beach - Fee: \$629
23	NCUA Compliance Issues Quick Bites - Fee: \$79
29-30	Achieving Full Service Workshop Tampa - Fee: \$249

31 **Halloween!!**

November 2003

Date	Event
4	IRA Essentials Workshop Jacksonville - Fee: \$169
5	IRA Advanced Workshop Jacksonville - Fee: \$199
6	IRA Essentials Workshop Tampa - Fee: \$169
7	IRA Advanced Workshop Tampa - Fee: \$199
12	Compliance Webcast - Fee: \$149

CHAPTER MEETINGS

For further information, please refer to the League website www.fcul.org

Broward Chapter
October 16

Central Florida Chapter
October 16 • November 13

Escambia Chapter
October 16

North Central Chapter
November 18

Northeast Florida Chapter
October 16 • November 6
October 9 • Chapter Golf Tournament

Pinellas Chapter
October 18 • Chapter Golf Tournament

Sara-Mana Chapter
October 16 • November 5

Southernmost Chapter
October 22

Tallahassee Chapter
October 16

Tampa Chapter
October 9

The *Florida Credit Union News* is a monthly publication of the Florida Credit Union League (www.fcul.org). For business information or subscriptions, write the Florida Credit Union League, P.O. Box 3108, Tallahassee, FL 32315-3108, call (800) 342-1266, or e-mail amy.jowers@fcul.org. Two copies are supplied free to each affiliated credit union in Florida. Additional copies may be purchased for \$3 per issue or \$36 for a single one-year subscription. Articles may be submitted to the editor for publication and are subject to editing and approval.

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