

Put the ODDS In Your Favor!

By **Derrick Smith**

Hurricane Season is upon us — and for many credit unions the recovery from last year’s tremendous storms is still underway. Will you be prepared for the next wave of disasters?

Credit Union disasters can take many forms. A “disaster” could include a loss of power for the day (with the expected record demands for energy this summer, many credit unions will likely experience this event!), a catastrophic equipment failure, fire, flood, natural disaster — even, unfortunately, a terrorist attack. Over our most recent history, credit unions around the country have experienced ALL of these events. You do not need to be able to predict the future to know that it is likely we will continue to face these events with increasing frequency.

Are you and your credit union ready? Will you be able to continue to provide the service that is so vital to your members’ survival and recovery?

Disaster Recovery and Continuation planning can be a complex subject to navigate and a difficult process to support and manage — but you do not have to face this challenge alone or write huge checks for services not matched to your credit union’s needs.

FedComp is here to help. With our comprehensive Disaster Recovery support service, you can benefit from

Continued on page 4

Regulation DD changes are effective October 1, 2006

By **Karen Rys**

Credit unions offering “courtesy pay” type options to members must provide clear and conspicuous disclosures about the cost of this service effective October 1, 2006.

Courtesy pay disclosures are part of Regulation DD. You can review the guidance offered by NCUA in their Letter to Credit Union 05-CU-03 and must comply with regulatory requirements, including those established by Part 707, *Truth in Savings Act*. Effective October 1, 2006, Part 707 requires credit unions that promote courtesy pay services to provide additional disclosures on account statements.

Our TNG system has recently been modified to comply with the statement disclosure requirement in version 1.55.105. This version release will be available to all *TNG* client

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The Maryland & District of Columbia Credit Union Association Selects FedComp as Strategic Partner

By **Bob Flanagan**



FedComp is proud to announce that we have been chosen as the Data Processing and Technology partner of the Maryland and District of Columbia Credit Union Association.

According to Paul Rosenberger, Chief Operating Officer at the league, "The MDDCCUA is proud to have partnered with FedComp, Inc. in its service to credit unions. We take great care in selecting Business Partners who provide value-added products and services to our affiliates. FedComp delivers a powerful, easy-to-use data processing system and hardware configured exactly to the specific requirements, but more than that they have a longstanding commitment to the Credit Union community that we know will continue on a long term basis."

We look forward to continuing our service to all credit unions and working closely with the league to help its affiliates achieve their goal of serving the needs of their members. We will soon be announcing plans for training classes and expanded marketing in Maryland and the District of Columbia.

FedComp is Going Under the IT Microscope!

By **Mike Shiner**

Audits can be a very stressful time for all involved, and we want to do everything possible to help make things smooth for you. Some of you that use our VirtualCU product are being asked for a copy of our latest IT audit by your auditor. In the past, we have supplied you with contact information so you can obtain the results of the examination conducted in our office by the NCUA. It has come to our attention that NCUA is no longer supplying you with their findings from the last IT audit that was performed on FedComp because they feel that it is not current anymore. Since we do not plan to have NCUA back into our offices for another examination until next year at the earliest, FedComp is currently working on securing a third party to conduct an IT security audit later this summer. Once we have the results of this audit, we will be able to provide you with a report for your auditors.



FedComp Contact Information:

Tech Support: 800-283-3326
Techsupport@FedComp.com

FedComp Supply 888-40-FORMS
FedCompSupply@cuink.com

Sales 800-733-3266
Sales@FedComp.com

Fax 703-383-3220
 Web Site: www.FedComp.com
www.VirtualCU.net

Five Key Payroll Management Tips for Credit Unions

Stay Organized, Avoid Penalties

If you manage payroll for your credit union, you probably already know that it can be time consuming and complex. Here are some important tips to help you stay on top of payroll; from calculating paychecks to submitting payroll tax payments and filings.

These tips are provided by PayCycle, the leading provider of online payroll services for small businesses, and FedComp's new payroll partner.

1. Stay Informed About Payroll Withholding Tax Changes

— Payroll withholdings such as federal and state income taxes, Social Security and Medicare can change at any time. Without reliable tax rate updates, you risk calculating taxes incorrectly and getting penalized by the IRS. The easiest way to stay on top of current tax rates is to use an on-demand payroll service such as www.paycycle.com, which updates its users' tax rates with 100% accuracy guaranteed.

2. Remember That Unemployment Taxes Can Change, Too — With over 400 tax updates in any given year, it's important not to overlook changes to employer taxes. Accurate paychecks address only half of the employer's responsibility. The employer must also accurately calculate employer-paid taxes, such as Federal Unemployment (FUTA) and State Unemployment Insurance (SUI).

3. Pay Taxes On Time — Once taxes have been accurately calculated, the next step is to remit them to the appropriate federal and state agencies. Employers must follow assigned deposit schedules, and it is important to stay on top of deadlines to avoid paying costly penalties. According to IRS statistics, there were over 6.3 million payroll tax penalties assessed in 2004 — with a \$388 average penalty. A service like www.paycycle.com can help you avoid penalties by sending email reminders every time there is a tax payment due. With PayCycle you can pay federal taxes electronically with a click of a button. Electronic state tax payments are available in many states too.

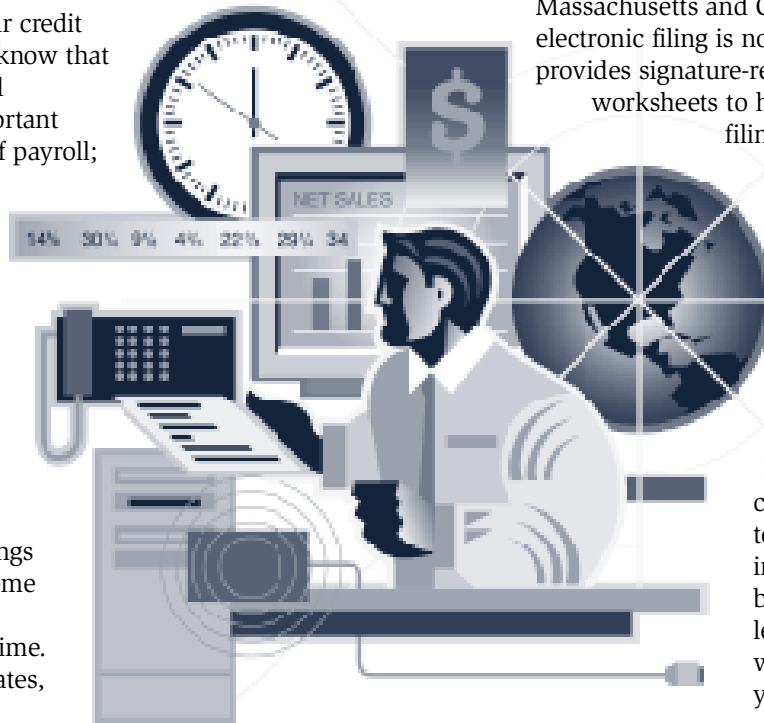
4. Don't Forget to File Forms — In addition to paying federal and state taxes, employers must also file federal and state tax forms. Some states even require multiple filings quarterly and annually, and forms often change. Small employers can file federal tax forms (941, 940, 944, W-2)

electronically via the IRS website (www.irs.gov/efile) or through an online service such as www.paycycle.com. This trend is extending to the state level as well and PayCycle offers electronic filing of state forms in many states including New York, New Jersey, Texas, Florida Massachusetts and California. In states where electronic filing is not currently available, PayCycle provides signature-ready forms and step-by-step worksheets to help you complete payroll tax filings with confidence and ease.

5. Leverage the Internet to Make Payroll as Easy as a Click — On-demand solutions are becoming increasingly popular with small employers as they look to the Internet for tools to help simplify managing their businesses.

Payroll is no exception. By choosing a reliable solution to make sure your payroll is in good hands, you can save both time and hassles. This leaves more time for you to do what you do best — manage your business.

Contact your FedComp Sales Representative at 1-800-733-3266 for more information about how PayCycle's online payroll services integrate directly with your FedComp accounting system to make payroll easy and stress-free.



e-Business News

By Jim Jessee

Many of you are familiar with our e-Business product VirtualCU, as evidenced by its wide acceptance, we now host over 180 VirtualCU websites that include a fully dynamic website, home banking module, and e-mail address. We continue to add new sites and with the help of our partner, Home CU, offer enhanced functionality to our home banking module. If you are interested in taking a look at this increased functionality please visit the demo found at www.HomeCU.net. This can be offered in both a real time or batch environment. Another addition to our VirtualCU offering is our updated website templates. Those of you that adopted this product early on, now have the opportunity to take advantage of one of our new sites. Please visit www.VirtualCU.net and view the samples. If any of these sites meet your needs, we can change your existing site in as little as 24 hours at a very minimal charge. For information about updating your website or further information on our VirtualCU product please contact Jim Jessee, Director of Installations and Training, at 1-800-733-3266 x330 or JJessee@FedComp.com.

Put the ODDS In Your Favor!

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our complete Planning Guide and Workbook, which leads you through the process of developing a contingency plan. When completed, the workbook serves as your disaster recovery plan — ready for quick implementation when and if you ever need it. But that is only the beginning. We support your plan by providing secure off-site storage of your critical credit union documentation and data, and in the event that a qualifying disaster occurs — we'll ship that information along with a fully configured computer workstation directly to your hot site. We'll even send along a technician to assist you in recovering your data processing and implementing your plan.

Last year's hurricanes affected more than 130 FedComp credit unions. Those that subscribed to FedComp's disaster recovery services experienced rapid recoveries. Many credit unions however, relying on their own plans, faced extreme difficulty in recovering their operations not because their plans were inadequate but because they discovered their data backups were lost, destroyed, or simply were not completed correctly.

FedComp has responded to this very real threat with a new hands-free service, Off-Site Dynamic Data Storage or "ODDS." With the ODDS in your favor, you will be ready

for your next data recovery challenge! Designed for In-House TNG users, ODDS works with your credit union software and internet connection to perform a daily backup of your TNG data and transmit it to FedComp's secure remote server for storage. Once configured, ODDS will archive several days of your credit union's data, updated each and every day. In the event your credit union experiences a data loss or corruption, FedComp can transmit your most recent backup directly to the location of your choosing (or ship a CD)!



ODDS is available as a supplement to credit unions who utilize FedComp's Disaster Recovery Service, and is ALSO available to credit unions that rely on their own resources for contingency planning and recovery. While ODDS is not intended to replace your periodic data backup procedures, it does provide a secure and failsafe layer to your data recovery program.

Both the Disaster Recovery Service and ODDS are surprisingly affordable and scalable. For the full details of each service contact us at Solutions@FedComp.com or call us at 1-800-733-3266. You can also visit us to learn more these and other FedComp Options at www.FedComp.com. We understand our mission to our members, and we recognize the threats. We are ready – will you be?

FedComp User Conference Survey

- **Would you like a chance to meet other FedComp Users?**
- **How about more time with the FedComp Team and Business Partners?**

We would like to measure interest in attending a FedComp User Conference. This meeting would not only afford you the opportunity to meet other FedComp users and staff to exchange ideas, but would also represent a great training event and an opportunity to meet and network with our many Business Partners (i.e. FedComp Supply, CUNA Mutual, Dell, iPay and others). The conference itself would likely span two days and our goal would be to keep registration fees at a minimum, not more than \$200 – \$300.

This is where we need your input. Would you attend a national event? Would you attend a smaller regional event? Please fill out and fax this survey back to 703-383-3220.

Interest:	National	Regional
I'll be there just tell me when and where	_____	_____
Maybe, but it depends on the location	_____	_____
No thanks, not interested	_____	_____

Location: We would target an attractive hub city such as Orlando, Washington, DC, etc.

Preferred Location: _____

Training/Discussion Topics

(please check your top 3 choices):

- Cash Drawer
- Charge Off Loan Tracking
- Debt Collection Module
- Collateral Tracking Module
- NCUA 5300 Export Utility
- Enhanced GL
- Disaster Recovery/Continuity Planning
- Web-based Lending (VirtualLender)
- Security Policies
- Employee Payroll (PayCycle)
- Other: _____

Credit Union Information:

Database #: _____

Possible Number of Attendees: _____

Credit Union Name: _____

A Few of the New Features in Release 104

By James Murch

There are some great new features in *TNG* Release 1.54.104. The long-awaited purge function is ready to go, and now there is an archive feature to go with it. People are really happy to be able to effective date JCR entries without having to log-off/log-on. We also have a new FTP backup feature which FedComp President, Derrick Smith, introduces earlier in this newsletter.

For as long as I have been working with FedComp's *TNG*, people have been requesting the ability to purge their data, or remove all but the last couple of years of transactions. Most believe this will make the backups smaller and help the system run faster, but this is not always the case. The single best way to improve performance of FedComp *TNG*, and your computers in general, is to increase your RAM memory. In the time I have been back, since soon after the launch of *TNG*, we have quadrupled the minimum requirement of RAM, and I always suggest users get more than the minimum

The purge was actually introduced last summer, but protected by passnumbers, because, if used incorrectly, it could be a destructive utility. If you were to purge thru the current date, you would have no member or general ledger transaction history! This is why I always suggest not only making a backup, but testing it by restoring it before you make major changes like purging or closing the GL.

Now there is a feature called Archive, which makes the purge function much safer. You can create an archive of your data before the backup, and it will be a Read-Only copy of your data. Previously, if a member wanted ledger information prior to a purge, there were a few ways of getting it, none of them easy. With the Archive, you only need to pull up the archived copy of *TNG*, and you can see the old data, but cannot change it. You will access the archive in the same place it is created, in the Managers > Backup, Restore, Customize menu.

We strongly suggest you archive your data only rarely, once a year or so, because it does take up a significant amount of hard drive space. This is why it is passnumber protected for now, so we can explain that it does not substitute for a backup and should not be confused with backing up.

With this feature, we are confident in recommending the Purge feature. You should still use the purge with caution, and we will make you enter the purge date several times to emphasize the extreme nature of this action. That also allows partial purges, for instance you could purge old member data, but leave General Ledger (GL) data intact.

This is a good way to remove members that have been closed for years and get rid of unused GL accounts. With GL accounts, you must follow the ZPD rule, Zero, Purge, Delete. You cannot delete a GL that still has transactions



in the system. So hopefully, any unused GL accounts were Zeroed out years ago. Now you can Purge thru the date of the last transaction, and then Delete the unused GL accounts.

Finally, there is a feature that allows you to effective date your journal entries without logging off. This is so simple to use, I am afraid some people will miss it. You just have to enter the desired date, post, and continue your work on the current date. Another frequently overlooked feature in the JCR is the ability to memorize transactions. If you have a series of JCRs that are repetitive, say monthly bills, you can memorize them before posting them, and the following month, hit recall, and the same set of lines will come up. You may have to edit the amounts, but the bulk of the entry will already be done for you.

I hope you are as impressed with the new release of *TNG* as I am, and as always, you can call us here in Tech Support with any questions. 1-800-283-3326.

Regulation DD changes are effective October 1, 2006

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users prior to the compliance date. The fees to the member of the "courtesy pay" service must be reflected on the member statement for the statement period AND the total fees Year-to-Date. A summary of fees by 3 types will appear on the member statements as long as the flag is set in your statement print options.

Fee Breakdown		
Type	Period to Date	Year to Date
NSF Returns:	0.00	48.00
NSF Transfers:	0.00	50.00
NSF Not Returned:	0.00	60.00

Credit Unions that have been offering this service during the 2006 year will need to compile the year to date values for each share account by fee type and edit the member account to include the historical year to date total.

Training News

By Jim Jessee

February 25th, 2006 FedComp conducted a user training session in conjunction with the New Jersey Credit Union League. Yes, this 6-hour session took place on a Saturday, reinforcing the commitment of the credit union professionals in the New Jersey area. I wanted to



thank all of the credit unions that participated and a special thanks to Mary Lee Kleinkauf, VP and Donna Hulick, Manager of Education and Training, at the league, for their efforts in making this happen. We plan on having more of these sessions in the near future to ensure that our customers and affiliates of the league have a full understanding of how to fully utilize the FedComp *TNG* data processing system and understand how committed we are to helping them serve their members.

I wanted to share a few quotes from some of the credit union staff members that attended.

"It was a helpful and informative session. The FedComp representatives presented a good session on the TNG System."

LuAnn Aglietti
Nestle (Freehold) EFCU
Freehold, NJ

"The training session was very informative; it covered many things that are missed during the transition from one manger to a new one. Everyone was most welcoming and friendly at the Seminar, The League, FedComp and the other attendees."

Doreena Kohler
Spotswood EFCU
Spotswood, NJ

"This was an extremely valuable and informative session for the credit unions"

"Jim Jessee, Director of Installations and Training and Margie Walker-Horsch, Installer, Trainer and Technical Support Representative, presented solid and detailed information on the FedComp operating systems. Based upon the high level of interest created by the presentation, questions and responses flowed throughout the day. A high level of interest was sustained throughout

the day. Participants were delighted to have their individual questions addressed and appreciated the expressions of support from FedComp. The majority of the attendees said this was the best training that they had ever attended."

Donna Hulick
Manager Ed. and Training
NJ Credit Union League

Thank you to the following credit unions that participated in this session for your continued support. We had 32 attendees representing 15 credit unions. If you have additional training needs, please view the training section of our website at www.FedComp.com or contact Jim Jessee for additional information at 1-800-733-3266 x330 or via e-mail at JJessee@FedComp.com.

Camden Police FCU	Newark Pre-School Council FCU
F.C. FCU	Pinn Memorial FCU
La Casa FCU	P.S. Local 821, FCU
Local 1233 FCU	Rutherford Postal FCU
Mercer County NJ Teachers FCU	Shop-Rite Foodarama FCU
Messiah Baptist Church FCU	Spotswood EFCU
Nestle (Freehold) EFCU	WARD FCU
Newark Post Office EFCU	

1099, 1098, 5498 and 1099-R Processing for 2006 "Early Bird" Registration Form

By Donna Snell

It's that time of year again when you want to start preparing for the processing of your 1099, 1098, 5498, and 1099-R statements. FedComp provides an efficient, and inexpensive way to handle all of the time-consuming aspects of processing these statements. Enclosed in this newsletter you will find the registration form insert. There are several options for you to choose from, but the most popular is the Complete Package Option. With this option you run your report to file and email it to irsprocessing@fedcomp.com. Your \$40.00 registration deposit will be applied to your processing fees when you email your file to FedComp. If you decide to mail in your file on diskette or CD your \$40.00 registration deposit will be applied to the handling of your data on these types of media.

That's it, you're done! You would now have the time to work on other important year end tasks.

So don't delay, fill out the attached "Early Bird" registration form and mail it today! Or, to save time and postage why not register online at www.fedcomp.com? If you have any questions on the price list or registration form, please call 1-800-283-3326 ext. 326.



Training Schedule

FedComp Training Schedule For 2006

COURSE	DATE	LOCATION
ATM Processing	July 19, 2006 1:00-2:00 p.m. *EDT	Online
Issuing and Maintaining Share Certificates	August 16, 2006 1:00-2:00 p.m. *EDT	Online
Loan Processing	September 20, 2006 1:00-3:00 p.m. *EDT	Online
Payroll Processing	October 18, 2006 1:00-2:00 p.m. *EDT	Online
Year End Closing Procedures	November 15, 2006 1:00-2:00 p.m. *EDT	Online

*All sessions are offered at Eastern Standard Time (EDT)

Cost for each online session is \$79 per credit union. The cost for the League sessions will be determined when actual dates and locations are confirmed.

For online sessions, internet connectivity is mandatory and high speed connectivity is recommended.

Additional training and registration information can be viewed on our website at www.FedComp.com, click on the training button, or contact Jim Jessee via e-mail at JJessee@FedComp.com or by phone at 1-800-733-3266 x330.

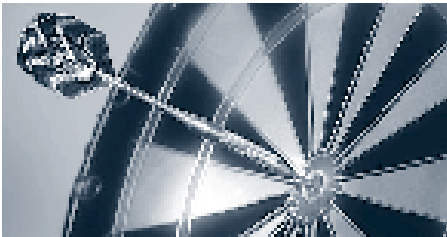


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ATTENTION!!!

VALUED FEDCOMP IRS PROCESSING CLIENT FedComp, Inc. 1099-INT, 1098, 5498 and 1099-R “EARLY BIRD” REGISTRATION FORM

(This form must be submitted in 2006 to insure your IRS reservation)

To register for 1099-INT, 1098, 5498 and 1099-R processing, return the completed registration form along with a **\$40 non-refundable deposit**. The \$40 deposit will be credited towards your processing fees, if you email your data file to FedComp. If you decide not to email your data, then the \$40 deposit will be applied towards the handling of your data on diskette or CD. Duplicates are only available in a PDF format file and sent to you on a CD. FedComp will also report for states that allow combined federal and state reporting.

FedComp's Credit Union No: _____

Credit Union Name: _____

Contact Person: _____

Telephone Number: _____

Email Address: _____

Which service would you like?	Cost*	(Estimate # of forms processed in 2005)			
		1099	1098	5498	1099-R
Complete Package (Print, Mail & Report)	\$0.99/member reported				
Print & Report to IRS (CU Mails)	\$0.99/member reported				
Print & Mail (CU Reports to IRS)	\$0.89/member reported				
Print Only (CU Mails & Reports to IRS)	\$0.94/member reported				
Report to IRS (CU Prints & Mails IRS Forms)	\$0.74/member reported				
Duplicates Returned on CD only	\$50.00 per form type				

Save time and postage! Register online at www.fedcomp.com!

Please return this form, along with the \$40 deposit to:

FedComp, Inc.
10300 Eaton Place, Suite 260
Fairfax, VA 22030
ATTN: IRS Processing
1-800-283-3326 X326

Registration forms postmarked after December 1, 2006 will be assessed an additional \$100.00 late fee. If interested in 1099-INT, 1098, 5498 or 1099-R forms only, contact FedComp Supply at 888-403-6767.

WE LOOK FORWARD TO SERVING YOU!!

The \$40.00 registration fee will not be applied to processing if you decide to mail data to FedComp on diskette or CD.