



**March  
2003**

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**Field of Membership Flexibility Helps Smaller Credit Unions**

The Michigan Credit Union League has long been supportive of greater flexibility for state and federal credit unions to expand their fields of membership. This has historically been done in the interest of making sure that Michigan consumers have the ability to join at least one credit union, if not to have several choices for membership. Only 29 percent of Americans currently belong to a credit union. The penetration is higher in Michigan, all the way up to 43 percent, but the cup is still less than half full, so to speak. So, as a social movement, credit unions and the MCUL are interested in reaching out to serve more of the population with the benefits of credit union services.

As technology has improved and industry has consolidated, there have been a number of forces that have led to consolidation in the whole financial services industry and credit unions have not escaped these pressures. So-called "economies of scale" suggest that larger institutions can offer transactions on a lower "cost-per-transaction" basis and therefore have pricing advantages over smaller institutions. The other pressures on smaller credit unions are too numerous to mention. They include things like a lack of resources for marketing and technology, a lack of depth in staff expertise, increased vulnerability to the loss of a manager, and on and on. So how do smaller credit unions continue to survive and even flourish in this high-tech age of financial services consolidation? The answer probably distills down to service and focus.

Credit unions focus on doing a few specific things very well, and always with a very high level of service for the member. Many credit union members accept the fact that rates are not always the best, but year-after-year the members can count on high levels of service and fair, consistent pricing without high fees or price gouging. So, credit unions continue to serve a segment of the population that places a premium on trusted, reliable service. Often, even smaller credit unions can provide better rates as well. Credit union loan rates average 1.3 percent lower than bank loan rates and savings rates, even in this low interest rate environment, average about 1/2 percent higher than bank savings rates. And fees consistently rate lower than at banks.

The MCUL dedicates over 1/3<sup>rd</sup> of its annual operating budget to a department of consultants and operations support staff who help smaller credit unions on a day-to-day basis with information needs, planning support and other operational needs. Consultants are always a phone call away to help credit unions with resources and answers to questions. The Michigan Credit Union Foundation gives over \$80,000 per year in education scholarships to smaller credit unions. But while MCUL is intent on helping smaller credit unions with their needs, there is also a recognition that all credit unions, including smaller credit unions, need the ability to grow and expand without costly regulations that might hinder expansion.

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[HTTP://SMALLCU.MCUL.ORG](http://SMALLCU.MCUL.ORG)

We reserve the right to edit all articles for clarity and require all articles include author's name, credit union name and phone number or e-mail address. All articles published solely represent the views of the authors and are not necessarily the view of the *Gazette* or the MCUL.

**continued from cover**

In an era of increased competition, why would MCUL favor deregulating fields of membership for state-chartered credit unions? To some it would appear that MCUL is increasing the competition for smaller credit unions by doing so. The fact is that deregulating field of membership regulations benefits smaller credit unions, in some ways, more than larger ones. This is because both state and federal regulators are already allowing expansive, multi-county charters for larger credit unions. NCUA has allowed T&C Federal CU to have a charter that includes all of Oakland County (1.2 million residents). Several other large federal charters have multi-county charters as well. And this is just the beginning. New regulations proposed by NCUA will allow federal charters to have even more expansive community charters.

On the state side, OFIS has allowed multi-county charters as well. Lake Michigan Credit Union, formerly Grand Rapids Teachers CU, has a three-county charter comprised of over 1 million residents. And this is only the beginning of a continuing evolution toward very broad FOMs. In the future we will likely see many more credit unions with multi-county charters or contiguous metropolitan statistical areas (MSAs) that allow for very large FOMs.

But in the midst of all of this change, all credit unions are required to provide extensive documentation and business plans to support the expansion request and to demonstrate to the regulator the credit union's ability to serve a broader FOM. This works against smaller credit unions and sometimes financially challenged credit unions. These are often the very credit unions that most need the ability to expand. For these reasons, working on the basis of considerable input from the Michigan Credit Union industry, the MCUL is seeking to change the Michigan Credit Union Act to provide for greater flexibility for all credit unions to consider charter expansions.

The rules have already changed. Unfortunately, they can often work against smaller credit unions. We need to allow maximum flexibility for all credit unions to be successful and to reach out to the underserved and unserved communities of Michigan. All consumers benefit from a strong credit union presence in every Michigan community.

Smaller credit unions will continue to survive and flourish in these increasingly competitive times. The greater competition for financial services is coming from mutual funds, the stock market, brokerage companies, non-depository mortgage lenders, finance companies, and huge, conglomerate financial

services organizations. The top three U.S. banks have over half of all the 19 million home banking accounts held by U.S. households. With all of the competitive forces within the vast \$37 trillion financial services industry, credit unions, as small niche players will need to have more flexibility in their ability to expand and serve their current and future members.

**David Adams**  
**President/CEO**  
**Michigan Credit Union League/CUcorp**  
**CU Village.com**

Have you checked this out?

[www.mcul.org/mcul/cu/compliance/mcua](http://www.mcul.org/mcul/cu/compliance/mcua)

For more information on the Michigan Credit Union Act Modernization.

The main categories for information are:

Current News and Information

MCUA Modernization Media Center

MCUA Advocacy Material

Archived Materials

Michigan Credit Union Act Modernization  
 Mission Statement

To strengthen the value of the state charter through statutory and regulatory changes to the Michigan Credit Union Act that will allow credit unions to better serve the evolving needs of their members.

## Trivia = Insignificant or inessential matters

### Here's a few:

#### TH@ Explains It!

Most everyone is familiar with the little "A" with a circle around it that is found in e-mail addresses. It is commonly referred to as "at." Surprisingly though, there is not an official, universal name for this sign. Several languages use words that associate the shape of the @ with some type of animal. For instance...

apenstaartje – Dutch for "monkey's tail"  
 snabel – Danish for "elephant's trunk"  
 kissanhnta – Finnish for "cat's tail"  
 papaki – Greek for "little duck"  
 kukac – Hungarian for "worm"  
 dalphaengi – Korean for "snail"  
 grisehale – Norwegian for "pig's tail"  
 sobachka – Russian for "little dog"

The actual origin of the @ symbol remains unknown. But, here is one explanation. History tells us that the @ sign stemmed from the tired hands of medieval monks. During the Middle Ages, every letter of a word had to be painstakingly transcribed for each copy of a published book. The monks looked for ways to reduce the number of strokes per common word "At" was used quite frequently and even though "at" was a small word, the monks thought it would be quicker and easier just to loop the "t" around the "a" to create a circle eliminating two strokes of the pen.

#### Additional Trivia

- » There are 119 grooves on the edge of a quarter.
- » There are 48 teaspoons in a cup: three teaspoons make a tablespoon and 16 tablespoons to a cup.
- » The king of hearts is the only king without a moustache on a standard playing card.
- » The kings in a deck of cards each represent a great king from history. The king of spades is King David, the king of clubs is Alexander the Great, the king of hearts is Charlemagne, and the king of diamonds is Julius Caesar.
- » The loop on a belt that holds the loose end is called a "keeper."
- » Starch is used as a binder in the production of paper. It is the use of a starch coating that controls ink penetration when printing. Cheaper papers do not use as much starch, and this is why your elbows get black when you are leaning over your morning paper
- » U.S. Patent #D219,584 was issued in 1970 to veteran



movie actor Steve McQueen. He was famous not only for his movies but also for racing cars and working on engines off-camera as well. A byproduct of his racing hobby was the invention of a bucket seat.

- » The word electricity comes from the Greek word ELECTRON, for amber. The bases of the modern concepts of electricity can be traced to the Greeks, who discovered the fact that certain rocks - lodestone or magnetite - attracted each other.
- » The pretzel is named from the Latin word *brachiatum*, meaning "having branch-like arms."
- » The robbery phrase "Hands Up" originated in British Columbia. Bill Miner, an American known as the Gentleman Bandit, is said to have first used the phrase while robbing a Canadian Pacific Railways train in Mission Junction, British Columbia in 1904.
- » The first college on record to use the word "campus" to describe its grounds was Princeton. "Campus" is Latin for "field."
- » The first letters of the months July through November, in order, spell the name JASON.
- » The flower worn in the buttonhole of a lapel, *boutonniere*, is from the French word for "buttonhole."
- » "Cryptozoology" is, literally, *the study of hidden animals*. Examples include the study of such creatures as Bigfoot, the chupacabra, and the Loch Ness monster. Cryptozoology is not a recognized branch of the science of zoology. Dr. Bernard Heuvelmans coined the term to describe his investigations of animals unknown to science.

[www.coolquizz.com](http://www.coolquizz.com)

Have you checked out the Financial Literacy Program page at <http://smallcu.mcul.org?>

On this page you will find information on the following:

- National Institute for Consumer Education
- National Endowment for Financial Education (NEFE)
- Michigan Jump\$tart Coalition
- Family Involvement Council
- Programs and Products for Youth
- Money Smart Program
- Wisepockets
- Wallstreet Institute
- National Youth Involvement Board

## 2<sup>nd</sup> Annual Celebration of National Credit Union Youth Week April 13-19, 2003

Roy Bergengren said, "The best evidence of present leadership is to be found in the capacity to develop future leadership." This can be done through the young members of our credit unions.

What a great time to start a youth program or revitalize your current program. It is also a great time to remind your current members that their children are eligible to become members of the credit union.

\*\*\*\*\*  
\* Educating the young members and their \*  
\* parents as to the benefits of belonging to a \*  
\* credit union is the first step in building a lasting \*  
\* working relationship with them. \*  
\*\*\*\*\*

This can be the start of a long and prosperous relationship for the member and the credit union.

The youth of our credit unions represent three distinct opportunities:

1. As a current member who the credit union can help to establish good savings and/or credit habits.
2. As a future member who will be buying large ticket items that the credit union will be there to finance.
3. As an influential member who can influence other members of their family to join the credit union.

Resources abound to help you in this endeavor. From Web sites with helpful information to your peer credit unions who offer your programs and special programs during National Credit Union Youth Week.

Catholic Community Credit Union in Jackson, holds a drawing once a month of all the "kids" accounts opened and the winner's initial deposit is matched up

to \$40. The program was started during the credit union's 40<sup>th</sup> anniversary. Then once a year, all that year's "kid's" accounts are put in the hat again and the winner's initial deposit is matched up to \$1,000. The matching funds must stay on deposit for a year, shares Doug Seckler, CEO. Doug can be reached at 517-787-9146.

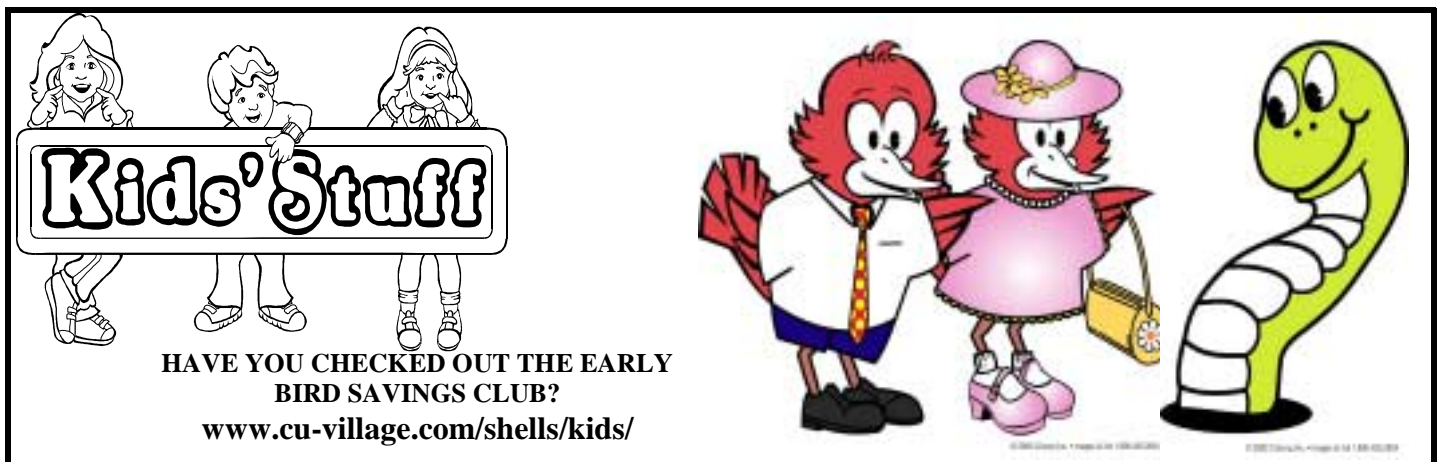
Last year during National Credit Union Youth Week, Vicki McIntosh, president/CEO of Belle River Community Credit Union, shared that the credit union paid for the first share in the child's or young adult's credit union share account. Each new young member also received an activity book or a young adult's guide to money. They started promoting about three weeks prior with lobby displays and newsletter articles. They opened 35 new youth accounts and plan on celebrating National Credit Union Youth Week again this year, same as last, with the exception of adding a drawing upon opening the accounts for a prize.

The theme for this year's National Credit Union Youth Week is "Youth Count at Credit Unions." CUNA has links at [http://www.cuna.org/initiatives/youth/youth\\_week.html](http://www.cuna.org/initiatives/youth/youth_week.html) that you can download and get useful information to help you plan the activities for National Credit Union Week at your credit union.

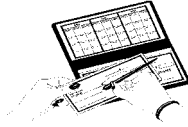
Another web site with useful products to help you plan for National Credit Union Youth Week is [www.moonjar.com](http://www.moonjar.com). At this sight you will find the unique Moonjar Moneyboxes. The Moneyboxes acts as a teaching tool for spending, saving and sharing for your young members and will inspire positive family communication.

Have you met the newest additions to the Early Bird Savings Club from Images & Ink? Ellie and Wormy, located below, are the newest members to join the Club.

**For more information, you can contact Kathy at 800-435-2824 ext. 295 or visit [www.imagesandink.com](http://www.imagesandink.com).**



## Double Damages



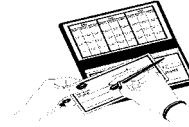
Under a revision to the Michigan Revised Judicature Act which took effect Jan. 1, 1999, credit unions and other financial institutions have an excellent tool to help them obtain payment of checks cashed or deposited by their members and returned due to insufficient funds or because an account was closed.

The law provides that any person who makes, draws, utters, or delivers a check or draft that is not honored for either of those two reasons is liable to the payee for all of the following:

- the full amount of the check or draft;
- civil damages of two times the amount of the check or draft (or \$100, whichever is greater); *and*
- costs of \$250.

Under this revised law, credit unions are entitled to additional processing fees in varying amounts based on the number of days in which the maker of a returned check takes to pay the item.

In order to take advantage of these increased civil damages, processing fees and costs, credit unions must send a written demand via first class mail in a form prescribed by the statute. If the member responds within seven days of the mailing of the notice, he must pay the full amount of the item plus a \$25 processing fee. If the member responds more than seven days but within 30 days of the mailing of the notice, he must pay the full amount of the item plus a \$35 processing fee. And if the member fails to respond within 30 days of the notice, but agrees to settle the matter before trial, the member must pay the full amount of the check, a processing fee of \$35, *and* reasonable costs, not to exceed \$250 as agreed to by the credit union and its member.



The notice that must be sent is set forth in the statute as follows:

A check, draft, or order for payment of money drawn by you for \$\_\_\_\_\_ was returned to me/us/our client (client's name) dishonored for:

- Insufficient funds
- No account

This notice is a formal demand for payment of the full amount of the dishonored check, draft, or order plus a processing fee of \$25 for a total amount of \$\_\_\_\_\_. If you pay this total amount within 7 days, excluding weekends and holidays, after the date this notice was mailed, no further civil action will be taken against you.

If you do not pay the \$\_\_\_\_\_ as requested above, but within 30 days after the date this notice was mailed you pay the amount of the dishonored check, draft, or order plus a \$35 processing fee, for a total amount of \$\_\_\_\_\_, no further civil action will be taken against you.

If you fail to pay either amount indicated above, I/we/our client will be authorized by state law to bring a civil action against you to determine your legal responsibility for payment of the check, draft, or order and civil damages and costs allowed by law.

If you dispute the dishonoring of this check, draft, or order, you should also contact your bank or financial institution immediately.

This revised statute should provide credit unions with an increased ability to collect their member's NSF checks in a more timely fashion.

**Tom Leduc**  
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## Required postings?

### Review Regulatory Compliance for Required Signs and Posters Once a Year

| Required  | Where to find the poster and information  |
|---|---|
| NCUA Share Insurance decals at each location members' transactions are done             | <a href="http://www.ncua.gov">www.ncua.gov</a> , reference information, publications available from NCUA or call 703-518-6340   |
| FBI decals  | Your local FBI field office   |
| <b>Federal and Michigan law requires the following to be posted:</b>                    |   |
| Fair Standards Act (FLSA) Minimum Wage Poster   | <a href="http://www.dol.gov/esa/regs/compliance/posters/flsa.htm">http://www.dol.gov/esa/regs/compliance/posters/flsa.htm</a><br>313-226-6935 or 616-456-2004   |
| Michigan Minimum Wage Law   | <a href="http://www.michiganlegislature.org/documents/mcl/pdf/mcl-Act-154-of-1964.pdf">http://www.michiganlegislature.org/documents/mcl/pdf/mcl-Act-154-of-1964.pdf</a><br>517-322-1825   |
| Equal Employment Opportunity (EEO)-employers having 15 or more employees                | <a href="http://www.dol.gov/esa/regs/compliance/posters/eo.htm">www.dol.gov/esa/regs/compliance/posters/eo.htm</a><br>800-322-3636 or 800-669-3362  |
| Employee Polygraph Protection Notice  | <a href="http://www.dol.gov/esa/regs/compliance/posters/eppa.htm">www.dol.gov/esa/regs/compliance/posters/eppa.htm</a><br>800-322-3636  |
| OSHA Poster   | <a href="http://www.osha.gov/pls/publications/pubindex.list">www.osha.gov/pls/publications/pubindex.list</a> or 800-321-6742 or 800-322-3636  |
| Federal Job Safety & Health Protection  | 202-693-1888  |
| Equal Housing Lender (or Equal Housing Opportunity) Poster (Federal Anti-Redlining Law) | <a href="http://www.fdic.gov/regulations/laws/rules/2000-6000.html#2000part338.4">http://www.fdic.gov/regulations/laws/rules/2000-6000.html#2000part338.4</a><br>877-ASKFDIC  |
| BWUC UC Poster – (Bureau of Workers' & Unemployment Compensation)                       | 3024 W. Grand Blvd., Detroit, MI 48202  |
| Discrimination Prohibited Poster<br>Includes ADA posting information                    | <a href="http://www.dol.gov/esa/regs/compliance/posters/pdf/eeobw.pdf">http://www.dol.gov/esa/regs/compliance/posters/pdf/eeobw.pdf</a><br>800-669-4000   |
| MIOSHA –employers with 11 or more employees   | 517-322-1809  |
| Michigan Anti-Redlining   | 800-435-2824 ext. 295 Images & Ink Item 2170  |
| Your Rights Under the Family Medical Leave Act (FMLA)                                   | <a href="http://www.dol.gov/esa/regs/compliance/posters/fmla.htm">www.dol.gov/esa/regs/compliance/posters/fmla.htm</a><br>313-226-6935 or 616-456-2004 or 800-322-3636  |
| Michigan Civil Rights Department (MCRD)   | 517-335-3165  |
| The Whistleblowers Protection Act   | <a href="http://www.osha.gov/as/opa/worker/whistle.html">http://www.osha.gov/as/opa/worker/whistle.html</a> or 517-373-9600   |
| U.S. Department of Labor  | <a href="http://www.dol.gov">www.dol.gov</a> or 866-4-usa-dol   |
| Notice to Workers with Disabilities   | <a href="http://www.dol.gov/osbp/sbrefa/poster/main.htm">http://www.dol.gov/osbp/sbrefa/poster/main.htm</a><br>800-669-3362   |
| MI Law Prohibits Discrimination in Employment   | 517-373-3590  |
| Patriot Act Poster  | 800-435-2824 ext. 295 Images & Ink item 2172  |
| <b>Other requirements</b>   |   |
| Current financial statements  |   |
| Regulation CC/Funds Availability Policy   | MCUL Compliance Management System – Payment Systems Manual  |
| Home Mortgage Disclosure Act (HMDA) Notice  | <a href="http://www.ffiec.gov/hmda/">http://www.ffiec.gov/hmda/</a><br>(202) 452-2016   |
| Equal Housing Lender (or Equal Housing Opportunity) Poster                              | <a href="http://www.fdic.gov/regulations/laws/rules/2000-6000.html#2000part338.4">http://www.fdic.gov/regulations/laws/rules/2000-6000.html#2000part338.4</a><br>877-ASKFDIC  |
| Annual Percentage Yield (APY) disclosures for indoor signs and lobby boards             | MCUL Compliance Management System – Truth in Savings Manual   |
| ATM fees for non-members have to be disclosed on or at the ATM                          |   |
| Handicapped parking spaces  |   |
| Optional – Concealed weapons ban  | 800-435-2824 ext. 295 Images and Ink , Weapon Free-Zone Static Window Cling, item 4095 or <a href="http://www.mc.ul.org/cu_corner/gov_affairs/compliance/poster.PDF">http://www.mc.ul.org/cu_corner/gov_affairs/compliance/poster.PDF</a> |
| Web site privacy policy to be posted on Web site  | MCUL Compliance Management System – Web site compliance issues, General Manual and Sample Web site compliance policy, Model Policy Manual   |

## SAS CU Spring Conference

### “Summarizing the Management Role”

Is the title of the SAS CU Spring Conference being held May 29 in conjunction with MCUL's AC&E at the Amway Grand in Grand Rapids MI.

The first topic covered will be Human Resource Role. This session will be lead by James F. Fournier, V.P. Human Resources and the CUcare Group® and Jessica Strasser, Human Resource Manager, MCUL and Subsidiaries. They will cover topics on hiring, firing, benefits, compensation and personnel policies.

The second session will focus on the Success Role. This session will consist of a panel of larger and smaller asset size credit unions that will share information on their management style in the areas of teamwork, education, board/management relations, working with the examiners, planning for the future direction of the credit union and technology, and how they stay on top of compliance issues and required reading. The panel consists of Dave Weichhand, president/CEO First Resource Federal Credit Union, Peggy Day, CEO Marshall Community CU, Steve Samoranski, CEO St. Cletus CU, and Pam Goven, manager Shaw Box EFCU.

The final topic covered will be the Succession Role. This session will be lead by Jim and Jessica and they will cover the importance of cross training and procedures, succession for the manager/CEO and training to promote from within.

The session will start with registration and continental breakfast at 8:40 am and conclude with lunch in time for the CEO Invitational Exposition Preview. Again this year you have the choice of joining the participants and speakers for lunch or not.

The cost of the session is \$25 per person for credit unions \$20 million and below in assets and this is a Michigan Credit Union Foundation Scholarship program.

The notice has been included in the AC&E mailing for your convenience and it is also on the Web site for the SAS CUs at <http://smallcu.mcul.org>.

**Carolyn Miller**  
Consultant Manager SAS CUs  
800-262-6285 voice ext. 753 or  
email at [mil@mcul.org](mailto:mil@mcul.org)

## Are You A Coach or a Critic?

Criticizing an employee may force him or her to make an immediate correction to a problem. But over time, criticism has a damaging effect on employee morale and will significantly reduce team productivity and employee retention.

Effective team leaders and managers are those who are able to bring out the best in their employees. This is accomplished through coaching and encouragement. Below is a list of questions to help you evaluate your coaching skills:

### Coaching Checklist –

Do your employees know WHAT they are supposed to do?

Do they know WHY they should do it?

Do they know HOW to do it?

Do they know the PRIORITY of their task?

Have you agreed upon an expectation list outlining what is to be done?

Do they think THEIR WAY of doing it is better than your way?

IS it?

Dynamic work teams are built when team leaders are trusted and respected. Respect is achieved when you actively listen to your employees, focus on helping them succeed, encourage their creativity and new ideas and, above all, catch them doing things RIGHT!

“A good leader is best when people barely know that he leads. A good leader talks little, but when the work is done, the aim fulfilled, all others will say, “We did this ourselves.” - - Lao Tse, a Chinese philosopher.

### Permission to reprint:

**Emmy nominee, entrepreneur, author, television personality and winner of six national marketing awards, Debra J. Schmidt is one of the nation's most versatile speakers and trainers. She is known as “The Loyalty Builder.”**

**Debra J. Schmidt is also the author of *The Loyalty Builder*, a free on-line monthly newsletter loaded with tips and information to help you boost profits through greater customer retention and dynamic teamwork. Visit [www.theloyaltybuilder.com](http://www.theloyaltybuilder.com)**

## Effective Time Management: Balancing Your Work and Life



"I'm busy all day, but I can't remember everything I do." Does this sound familiar? Welcome to the club! Many of us have problems managing our time effectively. But a little time spent planning can help you get more done and carve out more time for yourself. Here are some suggestions to get you started:

Look at the week ahead.

When determining your priorities for the week, be sure to include personal time and consider your family's needs.

Plan your day first thing every morning.

When making your plan, list what must be done, what should be done and what can be done, if you have enough time. Cross items off as you complete them, and carry the balance forward to the next day. If you're carrying too much forward, figure out why so that you can make a change.

Work smarter.

Schedule more challenging tasks for the morning, when you're likely to be at your peak. If you have phone calls to make, plan to make them right before lunch or near the end of the day, when most people are available. Can you delegate an item? Do it!

Simplify!

What can be dropped from your list? No one can do it all; people tend to think that they must do things that are, in fact, optional. Being realistic is a great way to balance both your work and your life.

Feeling in control takes some of the pressure off. A balanced life is a healthier life, with less stress and more time for relaxation. It takes some practice to achieve, but the rewards are great!

**Printed with permission from the Winter 2003 Edition of *Balance* helping you get more from work and life, a newsletter from Magellan Behavioral Health.**

## Michigan Credit Union Foundation adds International Focus

J.C. Howell was a key figure in the early days of pioneering Detroit Teachers CU and the MCUL. In 1954, to honor this pioneer of the Michigan credit union movement, the Michigan Credit Union Foundation (MCUF) was created. The main duty of the Foundation was to collect and disburse funds for general charitable and educational uses, which benefit the staff and volunteers of the smaller asset size credit unions.

The Foundation solicits funds from credit unions, chapters, individuals, Credit Union System partners and vendors who support and serve Michigan credit unions. The 2003 Power for Just Pennies campaign kicked off this month. Each chapter's goal was based on \$.03 per member and each credit union's donation will contribute to their particular chapter's meeting its goal. The goal for all chapters is just over \$122,000.

Besides the Power for Just Pennies fundraiser, credit unions have the opportunity to invest in the Community Investment Fund (CIF) through CenCorp. With this investment, a portion of the dividend earned comes back to the MCUF. Each credit union has received a letter and brochure outlining this program.

Over the past three years, 121 credit unions and chapters donated an average of \$81,000. During this time frame, an average 389 scholarships were granted for an average of \$71,000 to the smaller asset size credit unions.

The MCUF also supports credit union involvement in CUNA Management School by offering scholarships through the Ebaugh-Lesnieski Memorial Fund Scholarship, the Vanderveen Memorial Fund Scholarship and the General Fund Scholarships.

The Foundation is governed by a volunteer Board of Trustees who determine and guide the direction of the Foundation. Their duties also include determining criteria for scholarship and grant eligibility.

At the yearly MCUL Annual Convention and Exposition Grand Banquet, the Foundation presents the Credit Union Community Volunteer Award and the International Credit Union Development Award. The recipient of the Credit Union Community Volunteer Award also chooses the recipient of the Woodman-Wilde Award. To qualify for the Woodman-Wilde Award, a recipient must be a Michigan college student with a GPA of 2.0 or better, have financial need,

Continued from page 8

and have some history of community activity/involvement or volunteerism.

During 2001, an Advisory Council was created to assist with fundraising and promote the Foundation. The Advisory Council is comprised of the Alternate Directors of the MCUL Board.

Since 1954, the Foundation has followed one course of action. At the November 2002 Foundation planning session, the Trustees and the Advisory Council members re-wrote the mission and visioning statements to include an international initiative.

The new Mission and Visioning statements are as follows:

#### **Mission Statement**

- The Foundation provides education and leadership development opportunities to Michigan credit unions with limited resources through grants and scholarships.
- The Foundation provides financial support to the NCUF and recognition to Michigan credit unions that support worldwide credit union development efforts.
- The Foundation serves as a conduit for credit union contributions for disaster relief.
- The Foundation demonstrates the willingness of credit unions to help each other.

#### **Visioning Statements**

- The Foundation will build a \$2 million endowment fund to support education and leadership development of credit unions with limited resources as not to be reliant on credit union contributions and still be able to help credit unions continued educational needs.
- The Foundation will be a catalyst for encouraging and recognizing community involvement by credit unions.
- The Foundation will create a framework to facilitate the sharing of resources between credit unions.
- The Foundation will foster cooperative efforts in support of international credit union development efforts in specific countries.

\*The MCUF will focus on building the Foundation endowment fund to better support its mission without relying solely on credit union donations.

All MCUF International Credit Union Development Fund donations will be kept separate to finance the international credit union initiative. Each credit union will receive a brochure outlining the levels of investments.

**Doris Brown**  
**Michigan Credit Union Foundation**  
**Executive Director**

## **ID Theft Resources**

[www.consumers.gov/idtheft](http://www.consumers.gov/idtheft)

Some of the information available on this site is;

- ID theft data clearinghouse fact sheet
- ID theft –“When bad things happen to your good name” booklet
- Other links and publications

[www.cj.msu.edu](http://www.cj.msu.edu) – click on outreach

Some of the information available at this site is;

- ID theft newsletter
- Victims Page – contains information on what to do if you are a victim
- Research information
- Links of interest

[www.idtheftcenter.org](http://www.idtheftcenter.org)

The goal of the ID Theft Center is “Helping People Prevent and Recover from Identity Theft”

Check out the current and past issues  
of the free newsletter for credit union marketers  
The Connection at:

[www.cuna.org/data/du/pubs/cu/connect.html](http://www.cuna.org/data/du/pubs/cu/connect.html)

## HR Tips

### Employee Handbooks

Employee handbooks, personnel policies manuals, employee manuals... whatever you choose to call it, the employee handbook is an important element of the "first impression" a new employee has of your credit union. The employee handbook should not simply contain the rules and regulations of the company. Your employee handbook actually provides an excellent opportunity to expose your new hire to the goals and philosophy, mission statement, strategic plan and future goals of your credit union.

Traditionally, presenting your new hire with an employee handbook serves to provide them with clear and concise information that is important for them to know. In addition, clear policies and work rules also help to support disciplinary action and avoid charges of wrongful discrimination and avoid or reduce litigation costs. Because employee handbooks typically contain the rules and guidelines of the organization, the handbook also helps management provide uniformity in administering the company's policies and procedures.

It is recommended that policies, procedures and philosophies that are of major importance to the credit union be placed at the beginning of the handbook. For instance, a statement one credit union has at the beginning of their manual reads: "We strongly enforce a smoke-free environment." This statement is further and specifically clarified in later pages of the manual in the actual smoking policy.

A policy serves many useful, necessary and important purposes, but if it is not written properly it can also create problems for your credit union. Your policies should be written clearly and concisely so employees can understand them. There are also several things you want to avoid in your policies such as 1) creating an implied contract of employment, 2) altering the employment at-will relationship, and 3) making guarantees of any kind.

Another thing to consider when creating an employee handbook is the reading level of the audience. It is recommended that you write it at about an eighth grade level to reduce any questions or misinterpretations. In addition, the "author(s)" may want to consider limiting the detail of certain information, such as benefits. Because benefits can be so complex, it is suggested that the handbook touches on the essentials of each of the benefits, referring the employee to other written sources (i.e. plan documents) or the person responsible for administering the benefit if they have questions.

Having a member of your organization write or work

closely with the author of your handbook is advantageous in that the company environment you desire to achieve can be addressed. However, it is recommended that an employment attorney review your policy manual for compliance purposes.

Provided below are some suggested topics include in your employee handbook. (The following information is not intended to be a complete list.)

### Legal Issues

- Employer/employee rights
- Employment
- Safety and Health (OSHA)
- Pay policies and procedures
- Overtime policies
- At-will statement
- Dress code, protective clothing and equipment
- Drug screening
- Equal employment opportunity statement
- Lockers and personal property
- Pregnancy discrimination
- Required leave
- Right to amend the handbook
- Termination agreement
- Reporting violations of the law
- Reporting injuries
- COBRA (if applicable)
- I-9 Forms
- Privacy statement
- Job posting
- Definition of employee status
- Hiring policy regarding former employees, friends, relatives, etc.
- Performance Appraisals

### Benefits

- Leave and vacations
- Paid holidays
- Educational assistance
- Insurance, health, life insurance information
- Retirement
- Employee assistance programs
- Length of service
- Flextime
- Orientation and training

### Employee Responsibilities

- Attendance/absenteeism
- Performance
- Contribution to success of company
- Following company procedures

Performance of duties within ethical and legal guidelines  
 Reporting of all legal violations  
 Work to provide a safe and non-hostile environment  
 Notice of change of personal status

- Is it easy for the reader to find the benefits of the product or services and quickly identify “what’s in it for him or her?”
- Does the graphic look of the material appeal to the audience we’re trying to reach?
- Do the materials reflect the desired image of our organization?
- Do the color and graphics complement our existing materials for a consistent look and feel?

#### Grievance Rights

Defining the term “grievance”  
 Grievance and appeal procedure

#### Career Development

Education  
 Training  
 Career Moves

Take time to create marketing materials that really “work” for you. In this day of information over-load, they need to fit your target audience, offer legitimate benefits and project a professional image.

#### Organizational Philosophy

Strategic goals  
 History  
 Beliefs

Don’t forget, that even the signs posted in and around your business are also a part of your marketing campaign. They need to be professional in appearance, non-offensive and make sense to your customers.

#### Organizational Environment

Smoking  
 Rest areas  
 Solicitation  
 Emergency procedure  
 Lunch

Here are some actual examples of messages that hit or missed their mark:

Notice in a dry cleaner’s window:  
 “Anyone leaving their garments here for more than 30 days will be disposed of.”

Sign in a motorway garage:  
 “Please do not smoke near our petrol pumps. Your life may not be worth much, but our petrol is.

Notice in health food shop window:  
 “Closed due to illness.”

Notice posted in a field:  
 “The farmer allows walkers to cross the field for free, but the bull charges.”

Message on a leaflet:  
 “If you cannot read, this leaflet will tell you how to get lessons.”

**Jessica Strasser, Manager  
 Human Resources  
 MCUL  
 800-262-6285 ext 490**

#### **Do Your Messages Make Sense?**

Sometime, in our desire to create graphically exciting marketing messages, we completely miss the boat. When designing and writing marketing materials, ask yourself the following questions:

- Is the message clear, easy to read and understandable for someone with less than an eighth grade education?
- Do we get to the point in the first paragraph?

**Printed with permission from  
*The Loyalty Builder Newsletter*, Issue #45  
 Debra J. Schmidt is the author of this monthly newsletter which is loaded with tips and information to help you boost profits through greater customer retention and dynamic teamwork.**

## Key Parts and Components to a Good Marketing Plan



Key parts to a marketing plan

### 1. Self Analysis/research

- Credit Union mission statement
- Credit Union Visioning statement
- SWOT analysis\*
- Competitors analysis\*
- Know the legalities of marketing
  - Use of credit reports
  - Lottery issues privacy comes into play when announcing winners
  - Regulatory Advertising Requirements, NCUA Rules & Regulations Section 707-TIS, Advertising-740
  - Resource Book from CUNA "Compliance & Marketing Guide" by Tom Leduc

\*Both the SWOT and Competitors analysis worksheets can be found at <http://smallcu.mcul.org> under "Worksheets and Checklists" or call Carolyn Miller at 800-262-6285 voice ext. 753 for copies.

### 2. Setting of realistic goals and action plans

- Set realistic goals
- List action steps, identify responsible parties, necessary resources, perform cost benefit analysis and set deadlines.

### 3. Developing a budget

- Identify what items belong in the marketing budget
- Determine how to set the dollar amount
  - cost per member
  - 2/10<sup>th</sup> of 1% of asset
  - Number of promotions per year
  - Type of marketing for the year

### 4. Sharing the information

- It is important that each employee in each department read and understand his or her role in achieving the goals written in the marketing plan.

### 5. Implementing the plan

- Use of a calendar to outline steps
- Scrapbook/project binder, to highlight the programs
- Give-a-ways that are needed
- Banners
- Brochures, flyers
- Incentives, if set in plan
- Use of newsletter
- Other advertising use

### 6. Evaluation

- Measurement of success or non-success



- Tracking of balances, costs, staff involvement, materials, what worked and didn't
- Effectiveness, were desired results met in increased profitability, product usage, number of new members, etc.

Key components to a good marketing plan

### 1. Good Communication

- Board
- Teamwork and commitment from management
- Allow the staff to be part of the plan

### 2. Justification of money spent

- Project results
- Project costs
- Where the goals met
- What follow-up will there be

### 3. Marketing tools

- Newsletters, brochures, statement stuffers, flyers, postcards, coupons
- Annual meeting
- Word of mouth
- New employee orientation at the SEGs
- Interoffice mail, email
- Credit Union employees
- TV, radio, & newspaper ads
- Vendor relationships
- Membership
- Credit Union employees
- Local colleges for marketing interns
- The Community

### 4. Resources

- Books
- Web sites (<http://smallcu.mcul.org> then click on marketing)
- Network with other credit union marketing staff

### 5. Savings

- Get alternate bids
- Negotiate pricing
- Use shared cost products (personalize with stickers)
- Develop your own flyer, brochures or postcards
- Donations



**Carolyn Miller**  
**Michigan Credit Union League**  
**Consultant Manager SAS CUs 800-262-6285 voice ext. 753, mil@mcul.org**

## What Signs Do Your Credit Unions Send To Members?

Today's credit union member will most likely use a combination of office visits and Internet transactions.

For many years, community banks offered coffee and cookies to their customers. During the early 1990s, when many of the community banks merged into larger institutions, this relatively inexpensive service was trimmed from the budget. Recently, more financial service companies have started offering coffee again some have even installed an espresso bar! This reactivated complimentary service is all about the customers having a good experience while performing financial transactions.

Complimentary coffee and cookies may not be the decisive factor for choosing a credit union, but it will add a personal touch to the members' experience while visiting your office.

In the past decade, many financial service companies have also realized that effective signage and merchandising placement creates a lobby that is easy for the customers to navigate. The moment members enter your credit union the signage should direct or inform them where they need to go for a product or service. The merchandising displays should have content that entices your members to ask about your products and services.

When deciding on the signage and the posters for your merchandising displays, consider the distance it will be viewed from and the contrast between the copy and background. The type style and size is also very important. Your older clients will appreciate the larger and/or bolder type along with the high contrast between the message and the background.

If the credit union uses an information desk, the word "Information" should be noticeable when the member enters the office. Credit unions can direct their members to an employee by having the proper signage in place. In addition, department identification should also be prominent throughout the office.

Consider enhancing your credit union with a free

One effective strategy for increasing more deposits and loan activity at your credit union is to encourage members to visit your offices more often.

standing merchandising kiosk. Kiosks come in configurations between one and six sides for displaying marketing materials. They are typically used to display your promotional posters, product literature, investment and loan rates, community events, and even mandatory regulations.

Today kiosks are available in sleek modern styling or hand-crafted wood for a warm, traditional look. Look for a kiosk that offers the flexibility to change the configuration as well as quality craftsmanship so it will look as good in five years as the day it was delivered.

To effectively promote an attractive loan or investment product, consider a rate display that features one or two rates in large type. The options for displaying a feature rate are: on a kiosk in your lobby, in the window or on a desktop. The kiosk and window display should have the same type height, about seven inches high. In the lobby, the feature rate should be visible from anywhere in your office. In the window, it should be visible from across the street.

The desktop display unit will only have a number height of about one-and-one-half-inches because of the size constraint. This is still visible from at least 12 feet away without making the unit too large for the desk.

An ideal location for poster displays with your marketing messages should be in the line of sight where customers are waiting. Poster displays can be placed in windows, on doors, be wall-mounted, or freestanding.

It looks unprofessional and unsightly to tape notices to your entrance. Instead, purchase a clear acrylic poster frame that can be mounted to the glass door. This will allow you to insert a two-sided notice to reinforce your message as members enter and exit your office.

Teller information displays will eliminate clutter at teller windows by accommodating several different message components within a durable, one-piece metal frame. These teller displays can be surface-mounted or counter-top style.

Regardless of how many teller lines are open, there will be waiting times for service. If the wait is reasonable, this can work to your advantage. Be sure to place your merchandising displays in areas where they can be viewed during wait time. Make sure the literature racks are within easy reach of the people standing in line. They should also be neat and well stocked. It is a waste of your time and a wasted expense if no one is reading the marketing literature. Merchandising displays, with different marketing promotions, will help you cross sell products. Make sure members are aware of all the services your credit union offers.

People need to know if the credit union is open or closed for a particular holiday. Make sure you post these signs a few weeks in advance to remind people that the office will be closed on these particular days.

A golden opportunity for credit unions to reach their members is drive-thru lanes. The bottom seven inches of the drive-thru window can be used to post information such as your logo, hours, policy, and insurance logo. It is recommended that you merchandise your drive-thru lanes with either weather resistant banner stands or poster displays. Both of these methods promote your products to members who rarely use the lobby.

Because of the competition credit unions face from banks, it is always important to make a good first impression. If the credit union can visually communicate with its members, especially new members, it will deliver a positive message. That credit union is telling its members it cares about them, and wants their business.

**Dan Ottow is National Accounts Manager with Kane Graphical Corp., Chicago, which provides signage and merchandising displays for financial service companies. Mr. Ottow can be reached at 800-992-2921 ext. 135 or at [dottow@kanegraphical.com](mailto:dottow@kanegraphical.com).**



## National Kite Month April 1 to May 4

“Once you have tasted flight you will walk the earth with your eyes skyward, for there you have been and there you long to return.”

--Leonardo DiVinci

Kite flying is not only for kids

It is believed that the first kite was flown in China more than two thousand years ago. One legend is that a Chinese farmer flew the first kite by tying a string to his hat to keep it from blowing away. The earliest written account is that about 200 B.C. a Chinese General Han Hsin of the Han Dynasty flew a kite over the walls of the city he was invading.

Check out the following site for more kite history and other information.

[www.nationalkitemonth.com](http://www.nationalkitemonth.com)



## The Michigan Credit Union Foundation Annual Fundraiser Needs Your Help!



The Michigan Credit Union Foundation (MCUF) is a non-profit organization dedicated to progressive professional development of credit union staff and volunteers, disaster relief and international credit union development. The Foundation relies upon the commitment and funding support of our credit unions, chapters and partnering organizations. We ask that you continue to support the Foundation by committing to donate three pennies for each member of your credit union. Your contribution will help make it possible for staff and volunteers of smaller credit unions to gain the knowledge they need to succeed.

In 2002, through the generous contributions of credit unions, chapters, partnering organizations and a vendor, the Foundation achieved 81 percent of its established 2002 goal of \$120,077.55. The MCUF Trustees granted 407 scholarships in excess of \$78,000, which is 80 percent of the donations received. This was a demanding year for the Foundation and we expect the future to be even more so as the need for education among credit union staff and volunteers continues to grow.

Please assist us in meeting the MCUF 2003 goal of \$121,619. Your contribution can be designated to support one or more of the funds that make up the MCUF — the General Fund, the Ebaugh-Lesnieski Memorial Fund, the Vanderveen Memorial Fund and/or the Woodman-Wilde Fund.

Donations can be made monthly, quarterly, biannually or yearly. Also:

- Donations of \$1,000 or more are awarded special "Pacesetter" award recognition at the MCUL Annual Convention & Exposition.
- Pacesetter donations may be given in combination between the MCUF and the National CU Foundation (NCUF) and total a \$1,000 or more.
- Donation goals and updates are printed periodically in issues of *Michigan Monitor*.
- For additional information, visit online at [www.foundation.mcul.org](http://www.foundation.mcul.org).

— Photocopy this Form to Make Your Donations —

### Michigan Credit Union Foundation Donation Form

Credit Union Name: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_ Chapter: \_\_\_\_\_

Please use our contribution in the following way(s):

**General Fund** . . . . . \$ \_\_\_\_\_

Provides educational scholarships for staff and officials of small credit unions and grants to related organizations.

**Ebaugh-Lesnieski Memorial Fund** . . . . . \$ \_\_\_\_\_

Provides scholarship for first-, second- or third-year CUNA Management School.

**Vanderveen Memorial Fund** . . . . . \$ \_\_\_\_\_

Provides scholarship for first-year CUNA Management School.

**Woodman-Wilde Memorial Fund** . . . . . \$ \_\_\_\_\_

Provides \$5,000 college scholarship to recipient named by the Credit Union Community Volunteer recipient.

Please mail your contribution and this form to the Michigan Credit Union Foundation, Attn: Finance and Administration, P.O. Box 8054, Plymouth, MI 48170-8054. Telephone: 800-262-6285, Ext. 339.

**Thank you for your continuing support!**

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