



# NEWS

FEBRUARY 1999



AN ELECTRONIC REPORT FROM THE CUNA CHIEF FINANCIAL OFFICER COUNCIL

## WE'RE GOING ELECTRONIC!

If you're reading this from a sheet of paper, you're already behind the curve.

Starting in January 1999, the CUNA Council newsletters will go electronic! The first issue for 1999 can be found by going to [www.cuna.org](http://www.cuna.org), click on COUNCILS, then select the CUNA CFO Council. The second and subsequent issues will be found within the secured side of the CFO Council's web page and accessible only to CFO Council members with a password (directions will be found there).

According to the results uncovered in a recent survey conducted for the councils by Syndics Research, Dallas, as well as through a lot of conversation with council members, members prefer receiving council news electronically. It's the CFO Council's goal in 1999 to provide all newsletters and white papers on the "members only" section on the web and phase out paper-based distribution as opportunity permits.



Thanks to the Web's virtually limitless possibilities, you'll receive your council news in color for the first time. Thanks to the availability of digital photography, we'll also be able to feature photos and illustrations to make the newsletter livelier and more appealing. And you'll receive more news than ever before, too.

We realize that not all members have regular Web access. We will continue to fax newsletters to all council members during the first two quarters of 1999 the same way we have always done. The information will be just as good but the graphics will have to be paired back to accommodate the fax's black-and-white medium. By September, we'll begin to fax only to those members who still need or want paper copies. (You'll receive a communiqué allowing you to indicate your preference.) By the time we enter the new century, we hope all members will have Web access and are able to enjoy the full impact of the newsletters.

Electronic information distribution - members asked for it, the CUNA CFO Council is delivering! Just another benefit of member-

## 1999 CUNA CFO CONFERENCE & ROUNDTABLE WELL UNDERWAY

The 1999 CUNA CFO Conference is off and running. We've lined up a terrific selection of speakers and topics that will give every CFO a reason to attend. Just look at what we've got:

- A preconference workshop featuring Tom Glatt as the session leader. Tom's session, Budgeting with a Twist, will take you through the steps toward preparing a budget that works.
- Creative Consultant, Joel Zeff will conduct the opening general session for the conference. As a speaker, Joel conducts

creative thinking and team building experiences for companies. His sessions focus on having fun and giving executives the opportunity to be creative and to learn to work together more successfully.

- Breakout sessions that feature some of the financial world's hottest topics:
  - Learn how to protect your credit union by attending the session on Contract
  - Negotiating Skills. It will provide the skills you need to help you better face vendors and suppliers.
  - Develop compensation strategies that makesense for your credit union. Attend the Compensation Strategies breakout for all the latest in this area.
  - Enjoy a panel discussion on Boosting

### HEAD ON DOWN..

to San Antonio May 12-15 for the best CFO conference ever.



Portfolio Performance. Join two brokers and a credit union financial expert in this field for a lively discussion.

- Listen to Dan Moulton, CPA, O'Rourke, Sacher & Moulton as he discusses What's New in the Finance World.
- Board Pack Best Practices is the topic for one of the mini workshops. Read all about this session on page 4 to see how you can become an active part of that workshop.
- Plus many more.

We'll also offer a mini workshop on Career ExCELL, the hottest new professional development tool, several roundtable discussions and learning tracks on Net Economic Value and Portfolio Analytical Tools to round out the conference.

Conference attendees will have ample opportunities to interact and network with their peers. From the opening reception, to networking lunches to a special western style barbeque, attendees will have ample quality time to spend with their peers.

This year's conference will be held at the Hyatt Regency on the famed Riverwalk in San Antonio, Texas, from May 12-15. When you are not attending sessions, you'll find plenty to do – stroll the Riverwalk, visit the nearby Alamo, or just sit at one of the many outdoor cafes and have a Margarita or two. Whatever your mood, you'll find something to do in San Antonio.

Watch your mail for a conference brochure and registration form. We hope to see all of you financial genius' at the conference. ♦

---

## CFO COUNCIL MEMBERS ATTEND AICPA CONVENTION

The 13th Annual AICPA National Conference on Credit Unions was held in New Orleans on December 3rd and 4th. This year's conference was different in that, for the first time the CFO Council coordinated participation at the conference. Executive Committee members Kerry Parker, Harry Jacobson, and Peter Sainato represented the CUNA CFO Council to more than 350 participants from around the country.

The CFO Council booth was manned during all refreshment breaks and allowed CFO Council members to provide information to participants. Attendees were offered brochures, sample white papers, and informa-

tion on our upcoming conference in San Antonio. Many of the attendees, both CFOs and CPA practitioners, were unaware of the CFO Council's existence and were curious as to its endeavors. This platform permitted one-on-one dialogue with potential members in a professional atmosphere.

This national event provided increased exposure to the CFO Council and will result in increased membership and a stronger overall Council.

It's estimated that at least 12 new members will be added to our roster as a result of this one effort. And the word about the Council continues to spread. Each one of us represents the Council, and your membership and your efforts to recruit new members are greatly appreciated. ♦

---

## LIQUIDITY MANAGEMENT FOR CUs

In a seminar put on by Southwest Corporate FCU, J. Kimball Hobbs presented *Liquidity Management for Credit Unions*. Part of his session concentrated on "Contingency Planning—Thinking the Unthinkable." Hobbs reviewed a few scenarios and some planning steps summarized below:

December 1999

- **Widespread preemptive cash withdrawal.**
  - Select scenario variations—\$250/\$500 per household, choose a benchmark and assess the impact on the credit union's liquidity.
- Identify early-warning indicators and develop a plan to monitor liquidity and early-warning indicators, and to make mid-course corrections to the contingency plan.
- Early in 1999, favor pre-year end asset maturities and post-year end share maturities
- Arrange for committed, short-notice back-up lines.
- Ensure that all collateral is available and in good form for immediate pledge.
- Arrange for ample coin and currency for the last week and holiday weekends.
- Prepare a communications plan for each possibility.

- **The mechanism for moving coin and currency breaks down under the strain.**
  - Review current mechanism for arranging coin and currency purchases.
  - Consider a back-up arrangement that provides use of credit union collateral to assure ultimate payment to the Fed for cash.
  - Review with your correspondent, peers and bond provider the flexibility of the cash deliver mechanism. Can it handle the volume?
  - Develop a day-by-day monitoring plan.
  - Possible substitution of cash transactions with credit cards, traveler checks, and money orders.

unions. How will you handle all that cash and put the asset back to work?

- Review with your bond provider as to allowable cash levels.
- Schedule a pick up of cash on January 4.

I think all of us will be glad when Y2K is over. I know my filing cabinet will be relieved! Also the latest Y2K problem that I heard about...all of the champagne will be sold out by September 30! Plan Ahead! ♦

January 3, 2000

• **“Sudden Surplus”**

January 1 comes and goes. On January 3 members pour cash back into their credit

## Y2K WEB SITES

Here a couple of additional Web sites that you may find useful. Thanks to Paul Lucas at 1st Advantage Credit Union, Newport News, Va., for his contribution.

- [www.gatech.edu/year2000](http://www.gatech.edu/year2000)
- [www.year2000.com](http://www.year2000.com)

## FED WATCHERS

The following represents history of the Federal Open Market Committee (FOMC) meetings that occurred in 1998 along with the

outcomes and the directional bias for the meetings. In addition, please note the scheduled FOMC meetings for 1999.

FOMC Meetings 1998	Action	Directional Bias	Policy Chg. Date	Fed Funds Target	Chg.	Discount Rate	Chg.
2/3 & 2/4	Neutral	Neutral	-	5.50	-	5.00	-
3/31	Neutral	Tightening	-	5.50	-	5.00	-
5/19	Neutral	Tightening	-	5.50	-	5.00	-
6/30 & 7/1	Neutral	Tightening	-	5.50	-	5.00	-
8/18	Neutral	Neutral	-	5.50	-	5.00	-
9/29	Easing	Easing	9/29	5.25	-0.25	5.00	-
	Easing		10/15	5.00	-0.25	4.75	-0.25
11/17	Easing	Easing	11/17	4.75	-0.25	4.50	-0.25
12/22	Neutral	TBA	-	4.75	-	4.50	-
<b>FOMC Meetings 1999</b>							
2/2 & 2/3							
3/30							
5/18							
6/29 & 6/30							
8/24							
10/5							
11/16							
12/21							

## **BOARD PACKET BEST PRACTICES**

The 1999 CUNA CFO Conference will include a mini workshop on "Board Packet Best Practices". This idea was enthusiastically endorsed at the 1998 conference.

### **We need your help:**

The success of this workshop will depend on the participation we receive in advance. This is not a contest, rather, in the best form of CU cooperation, it is a venue to share ideas. Each of us will probably achieve our "re-engineered presentation" by adopting sections of several reports. The goal of the workshop is to assemble a diversity of ideas and present them in the session.

### **Confidentiality:**

Some have indicated that their management would not feel comfortable with having a sample submitted. We hope the following will overcome this important concern:

1. Submit any date you like (if it is "stale" it is less sensitive).
2. Remove all references to name of credit union. Leave the data as unchanged as possible because deleting or changing might make the presentation hard to understand.
3. Only one person will know the name of the CU. This amount of identification is needed in the event of questions during

workshop preparation. It will also be helpful after the conference in the event that attendees desire follow-up and the submitter agrees to be identified at that time.

### **What to send:**

Send a quality copy that can be reproduced with good readability. Send only the "financial report" section of the board packet (financial results, variance analysis, ALM report, special financial analyses, etc).

### **How to send:**

Remove all references to the name of your credit union. Attach a cover memo/letter providing:

- Credit union name, address
- Contact name, phone #, extension, e-mail address (if available)
- Indicate if you are willing to take calls regarding your packet after the conference.
- Mail all information to Larry Hoffman, CFO, Anheuser-Busch ECU, 1001 Lynch Street, St. Louis, Mo. 63118

### **Or e-mail:**

(attach as file in MS Word or Excel format)  
to: [lhoffman@abecu.org](mailto:lhoffman@abecu.org)

### **Deadline:**

Packets should be sent as soon as possible, but no later than March 1, 1999. If you have any questions, please call Larry Hoffman, 314-771-7700, extension 400. ♦

## **CFO COUNCIL CONFERENCE SWEEPSTAKES**

As part of this year's CFO Council Conference, we invite you to participate in a sweepstakes competition. Winners of the sweepstakes will receive an authentic CUNA CFO Council shirt. In order to participate, contestants will need to forecast the values of several items. Watch for the flyer enclosed with the conference brochure that you will receive in the near future, or check it out on the Web site at [www.cuna.org](http://www.cuna.org), click on Councils, then select the CFO Council. It's easy and fun, so check it out. ♦



*CFO News* is fax broadcast bimonthly by the CUNA Council. Send news and CFO Council information to Vince Market, CFO, Philadelphia Telco CU, Trevoise, PA., phone 215/953-5369; fax 215/953-5388 or Harry Jacobson, Asset/Liability Manager, Navy FCU, Merrifield, VA., phone 703/206-3606; fax 703/255-7755. For council membership and administration information, call Cheryl Sorenson, manager of CUNA council administration, at 1-800-356-9655, extension 4393 or e-mail her at [csorenson@cuna.com](mailto:csorenson@cuna.com).

© 1999 Credit Union National Association, Inc. All rights reserved.



**CUNA & Affiliates**