

Ohio Credit Union Foundation Funding Program

Program Overview

- Provide a solution for the long-term reliable funding of the Ohio and National Credit Union Foundations
- Develop a workable alternative to the current NCUF model – one that improves upon past models
- Allow the program to be customized to meet the Credit Union's AL needs while supporting the foundations
- Capitalize on current infrastructure to create a win-win for the Credit Union, National Foundation, Ohio Foundation and Corporate One

Program Overview

- The NCUF-CIF program through the corporates and US Central was very successful in generating investment dollars, which when split provided reliable funding to the national and state foundations
- The OCUF and Corporate One actively promoted and participated in the program's success and we can be very proud of the results
- The NCUF-CIF program needed a major overhaul as the US Central relationship will come to an end ... soon
- New solutions are needed that must be scalable and universally acceptable

Program Overview

- The current program was challenging at times as the formula for splits did not always produce acceptable results due to market conditions
- The current program required a corporate credit union investment and membership, which has become somewhat problematic for some credit unions

Corporate One's Challenge

Create a new model for the future that builds upon the successes of the past and addresses and solves the previous challenges of the prior model and adapts to the new reality with the corporate system



It's where you belong.

Corporate One CIF Option

- Creates a program that the National and Ohio Foundations can use to generate ongoing and reliable income, building upon the concepts of the old NCUF-CIF model
- Provide the credit unions with investment options that give them more control over the contribution and customize the investment option to meet the credit union's A/L desires
- Provide a solution that does not use corporate deposits and does not require corporate membership

Corporate One CIF Option

- Allow for more creative revenue sharing/distribution options
- Provide a wide range of investment options – any permissible security can be purchased under this program
- Ensure administration and reporting tools are in place to accomplish splits accurately and timely and provide reporting tools to Ohio State and National Foundations
- Offer a program that is scalable and capable of growing

How Do I Get Started?

- Create a separate safekeeping trust account that will hold the securities or CDs purchased for the CIF purpose – this will require a separate safekeeping agreement
- CU agrees to a revenue-splitting arrangement – arrangement communicated to the National and Ohio Foundations
- Revenue split is directed -- interest payments are wired into National and Ohio Foundation accounts based on the instructed donated amount with the remaining interest payment paid into the credit unions account

How Do I Get Started?

- Securities and CDs will be purchased through Corporate One and will be held in safekeeping at Alaska USA Trust for administration of splits and reporting
- Corporate One will handle the administration costs and will waive all safekeeping fees associated with this separate account
- Corporate One will assign an investment representative to each credit union to follow up on maturing securities

Revenue Split Examples

- You're in control – we manage instructions
- Split examples – use your imagination
 - 25 bp of yield with 50% National, 50% State on a \$2,000,000 investment
 - 50 bp of yield with 50% National, 50% State on a \$1,000,000 investment
 - 100 bp of yield with 50% National, 50% State on a \$500,000 investment

How Do I Get Started?

- Credit Unions will need to enter into a Brokerage Agreement with Corporate One as an OSJ of Multi-Bank, if a Multi-Bank account is not already established
- Agreements will be written to permit both National and State foundations and their authorized representatives to have “read” only access to their foundation accounts
- Split arrangements will be provided to the Ohio and National Foundations so as to assist in budgeting and cash flow projections

Summary

- Eliminates all investment choice issues and opens up unlimited options
- Splits focused on desired results and not set formula
- Corporate One has a tremendously successful partnership with the current program – joining Credit Unions, the Ohio League, the National Foundation and Corporate One together. Our commitment continues to be strong, just the tools have changed
- A program that can be monitored by specified administrators of the NCUF-CIF program
- A commitment to support and grow the program from Corporate One
- This is a national, scalable and universal solution!