NATIONAL CREDIT UNION ADMINISTRATION

OFFICE OF COMMUNITY DEVELOPMENT CREDIT UNIONS

COLLEGE STUDENT INTERNSHIP PROGRAM

Summer 2000

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BACKGROUND INFORMATION

OFFICE OF COMMUNITY DEVELOPMENT CREDIT UNIONS

BACKGROUND

National Cr edit Union Administration

The Federal Credit Union Act was adopted to ensure a source of financial services to those in need. Specifically, it is intended that persons of limited means have access to a credit union in order to save and/or borrow for provident and productive purposes. National Credit Union Administration (NCUA) policy is to encourage the delivery of services to all individuals, particularly to people living in underserved, low-income communities and rural areas.

Office of Community Devel opment

The Office of Community Development Credit Unions (OCDCU) was established by Chairman Norman E. D'Amours in 1994. The OCDCU oversees NCUA's Low-Income Designated Credit Union Program. The program assists low-income individuals and communities in preparing to move into the mainstream of American economic life. The OCDCU's objective is:

To provide guidance and education to low-income designated credit unions and the credit union community in general, through;

- workshops,
- speaking engagements,
- newsletters,
- internal NCUA staff training,
- other communication means.

Guidance and education can be provided through distribution of various credit union industry publications and through organizations such as: The National Federation of Community Development Credit Unions (NFCDCU); CUNA; CUNA Mutual; the Credit Union Foundation; World Council of Credit Unions; other trade associations; and, credit union leagues.

PROGRAM DEFINITION
AND
PARTICIPANTS' RESPONSIBILITIES

COLLEGE STUDENTS CREDIT UNION INTERNSHIP PROGRAM

Purpose: Introduce low-income designated credit unions to an alternative method of access to additional staffing assistance, to temporarily fill vacancies or to replace regular staff who may be on vacation, during the summer, while providing college students the opportunity to explore and understand credit unions. The students must be college juniors and seniors or second-year students enrolled full time at a community college or other similar two-year school. The idea is to provide "hands-on" experience during time spent in each of two credit unions, to provide a "ready" pool of talent trained by credit union people. Additionally, with the hands-on experience provided to these student interns, they will be eligible to apply for management positions in small credit unions. Eventually, it is hoped that they will apply for management positions in larger credit unions.

Goal: To create a specific hands-on work environment within the students' chosen field of study, by introducing them to credit unions and the credit union industry, thereby, creating a pool of experienced people who work in various areas in credit unions, and eventually help to address the staffing concerns in credit unions today and into the future. Additionally, the credit union partnership should foster the cooperative spirit.

Objectives:

- Assist small credit unions in attracting well-trained people for employment.

- Maintain a program that primarily focuses on helping to prepare college students to manage and work in credit unions.

- Build a data base of college students who participate in the internship program, trained in management and other staff positions, and are eligible to apply for employment in credit unions.

Program: The program fosters partnering and mentoring between low-income designated and other credit unions. It especially allows the larger credit unions to understand the *real* problems and concerns of the small credit unions.

The low-income designated credit union serves as the "**host**" credit union, responsible for selecting a partner credit union and for the review of resumes and final selection of students for the program. The host credit union must be low-income designated and therefore eligible to apply for a technical assistance (TA) stipend for the student intern.

The host credit union will partner with another credit union, then select a student from a local college or university. These students must have their major areas of concentration in: accounting, business or business administration-related, finance, marketing, or information systems, with a goal toward a career with a financial institution, such as a credit union.

The host credit union will select a partner credit union and a student from a local college or university. The OCDCU will monitor the agreements between the host, the partner credit union and the college or university student, to ensure that each adheres to the agreements, for the duration of the internship.

Responsibilities

Host Credit Union

It is the responsibility of the host credit union to apply to the OCDCU for the TA to cover the summer intern's expenses. The total amount of TA available for a stipend cannot exceed $2,500.00 per student, per summer. As mentioned above, the stipend covers expenses such as transportation and other incidental expenses.

The host credit union will use the plan provided by the OCDCU and provide hands-on experience for the intern in various areas of its regular operations. The plan provides the interns an opportunity to gain varied experience in different sizes of credit unions. For maximum benefit, it is suggested that the interns serve three days a week in the host credit union and two days in the partner credit union. The host credit union will monitor the intern's progress, especially in areas that are generally of the greatest needs of the small credit union.

Partner Credit Union

The partner credit union will use the same plan as the host credit union when the intern is in that credit union. As mentioned above, the intern will spend two days a week with the partner credit union.

Student

The student interns will receive a stipend for the period of the internship, to cover transportation and other incidental expenses. Technical Assistance (TA) will be granted to the host credit union, to fund the stipends.

In order to receive the TA, **both** the host and the partner credit union must sign off on the progress of the student intern. If the agreement on the specified time that the intern spends at each credit union is broken between the two credit unions, a

plausible explanation must be given to OCDCU before the request for TA is honored for that period.

Host, Partner and Student

Both the host and the partner credit union must submit a final evaluation of the student intern and the experience, before the final TA request is honored. Also, it is the host credit union's responsibility to ensure that the student intern complete a final evaluation before the final TA request is honored. Therefore, the OCDCU must receive the following before final check is issued:

- Evaluation of student from host
- Evaluation of student from partner
- Evaluation of internship program from student and sent to OCDCU.

ORIENTATION GUIDELINES

COLLEGE STUDENT INTERNSHIP PROGRAM ORIENTATION

Suggestions for topics to be covered during orientation

Provide each student intern with an in-depth orientation of what is expected of them and what they are expected to learn about credit unions. Basically, the following areas should be covered during the sessions:

- What is a credit union? How does the system work?

- Share the history and philosophy of credit unions. If this is not available in the credit union, a copy may be requested from OCDCU.

- Share the history of the credit union (host and partner). Explain its current structure, e.g., officers, volunteers, etc., and explain its relationship to the National Credit Union Administration.

- Explain your credit union's reasons for participating in the student internship program and highlight the possible employment benefits there, and in the credit union movement, that may be realized upon completion of internship program.

- Define and explain in detail any employee policies and procedures that the intern **must** follow during the term of the internship, including procedures for taking time off, lunch, and reporting in and leaving times. Since this is a short-term arrangement, it is expected that the interns will be on duty five (5) days a week, for a minimum of 40 hours. In case of emergencies when the student needs to be off, the host must notify the OCDCU and the stipend amount will be adjusted accordingly. This applies for the host and partner and must be discussed with the student during orientation.

- Explain the credit union's general office practices and how the interns should conduct themselves in the workplace with coworkers and in dealing with the public.

- Familiarize the interns with office security policies, such as where policies and procedures are located, who to contacts during emergencies, or any other topics relevant to the credit union's security procedures.

- Introduce interns to all staff members in the host and partner credit unions; identify a mentor or other staff representative as a main contact for the intern.

- Discuss and fully explain the stipend and when interns should expect to receive it. This is may be done on the same schedule as the credit union's regular pay day.

- Explain that monitoring and evaluation will be ongoing and a final assessment must be done at the conclusion of the internship, prior to the last stipend installment.

- Prior to receiving the final stipend allowance, student interns must submit, directly to OCDCU, a final evaluation of their experience at each of the credit unions. The host credit union must ensure that the evaluation is submitted **before** the final TA request is honored.

GUIDELINES for HOST CREDIT UNION
AND
HOST AGREEMENT FORM

GUIDELINES FOR HOST CREDIT UNIONS

Please review and adhere to the criteria below, to aid us in monitoring the progress during the term of the student intern in your credit union.

The host credit union must:

- Agree to contact the college/university to select a student from available lists provided by the college/university;

- Select a partner credit union that is strategically close to the host credit union, to lessen the travel distance for the intern;

- Ensure that the partner credit union complete the necessary evaluation forms;

- Agree to designate a mentor or manager to supervise and monitor the intern's work;

- Agree to partner with only <u>one</u> credit union and one student during the internship period.

- Complete and return the "Host agreement" form to the Office of Community Development Credit Unions as soon as possible, upon receipt of the information.

- Maintain contact with the partner credit union to monitor and discuss progress of intern. Contact the OCDCU if problems are encountered either with the partner credit union or the student intern.

- Designate the path that the intern will follow (e.g., finance, marketing, etc.), so that the intern will be properly monitored, and evaluated based upon their major courses and interests; and,

- Follow the plan presented, that details the duties and functions in the credit union, to ensure that the intern is introduced to a wide variety of work experiences. This plan is designed to include most duties that are generally in credit unions. If the plan does not cover all areas in the credit union, it can be modified to adequately cover all areas. If plan is modified, a copy should be sent to OCDCU.

HOST AGREEMENT FORM

(Please complete and return this form <u>before</u> the internship begins)

The _____Credit Union, serving as the host, agrees to partner with _____Credit Union and _____, a student at _____. We agree to abide by the policies and procedures as explained by the Office of Community Development Credit Unions (OCDCU), in order to request and receive the agreed upon Technical Assistance (TA) stipend assistance for the intern.

If we perceive a problem with either the partner credit union or the student during the course of the internship, we will contact the (OCDCU) immediately, for guidance. We understand the TA stipend may be affected until all matters are resolved.

We understand that the student will serve in the host credit union three days per week and the partner credit union two days per week, for a total of 40 hours per week.

If the student must be absent from either credit union, we understand that the stipend will be adjusted accordingly, and results will be reported to the OCDCU.

We understand that my stipend will be given to the student by the host credit union on the schedule agreed upon during orientation.

Credit Union Official Signature:_____
Name of Partner Credit Union:_____
Date:_____

Mail To: **Office of Community Development Credit Unions**
Attention: Student Internship Program
1775 Duke Street
Alexandria, VA 22314

Phone: **(703) 518-6610**
Fax: **(703) 518-6619**

HOST CREDIT UNION EVALUATION PLAN

Host Credit Union Evaluation Pl an
(For accounting, business, finance, etc., interns)

Checklist of Duties to be Performed

Lending and Collections

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

Types and Characteristics of Credit
- Open end loans
- Closed end loans
- Fixed rates
- Variable rates
- Simple interest
- Compound interest

Regulations
- Regulation B
- Regulation Z
- Fair Credit Act

Other
- _____
- _____

Loan Application
- How to complete
- How to analyze

Credit Bureau Report
- Purpose for
- How to run
- Explanation of
- Interpretation of

Collateral
- Purpose of
- Types of
- Titles
- Liens
- How to use value books

Debt to Income Ratio
- Purpose
- How to calculate

How to Conduct Loan Interviews

Payments and Terms
- Guidelines for terms
- How to calculate payments

Payment Options
- Payroll deduction
- Automatic transfer

Loan Closing
- Verifications
- Completion of documents
- Set up on computer

Policies

Loan Files
- Location of
- How to maintain

Adverse Action
- Definition of
- Procedure for

Collections
- Bankruptcy
- Charge-offs
- Collection letters
- Collection phone calls
- Extensions
- Foreclosures
- Garnishments
- Policies of the CU
- Repossessions
- Right-to-cure standard
- Skip Tracing

_____ _____
Host Credit Union Official Student Intern Signature

_____ _____
Date Date

Host Credit Union Evaluation Plan
(For accounting, business, finance, etc., interns)

Checklist of Duties to be Performed

Finance

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

General Ledger
- Basics of
- Setting up accounts
- Posting account
- Reconciliation
- Trial balance sheet

Regulations
- Regulation D
- Regulation CC
- Truth-in-Savings

Other
- _____
- _____
- _____
- _____

Reports
- Reg D report to Fed
- Income and Expense

Other
- _____
- _____
- _____
- _____

Share Drafts
- Processing
- Returned checks
- Draft clearing

Payroll
- Employee timesheets
- Processing of payroll

Other
- Accruals and pre-paids
- Accounts payable/receivable
- ACH Network
- ATM processing
- Audits of vault
- Bank statement balancing
- Cash letters confirmed
- Change funds balanced
- Electronic funds transfer
- Government forms
- Journal vouchers reviewed
- Monthly depreciation
- Negative share processing
- Payroll deduction posting
- Process charge-off loan payment
- Records retention
- Vendor balancing

_____ Host Credit Union Official

_____ Student Intern Signature

_____ Date

_____ Date

Host Credit Union Evaluation Plan
(For marketing technology interns)

Checklist of Duties to be Performed

MARKETING

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

Marketing Strategies

Assess need for marketing program
Develop marketing program
Assist in developing marketing program
Design form to solicit information from members

Marketing Credit Union Services

Types of new services desired
Highlight current services

Marketing Methodologies

Internet
E-mail surveys
Interviews with members
Flyers
Publications
Focus groups
News articles
Sample “trinkets” such as key fobs

Host Credit Union Official	Student Intern Signature
Date	Date

Host Credit Union Evaluation Plan
(For information technology interns)

Checklist of Duties to be Performed

INFORMATION TECHNOLOGY

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

Computerized Reports Design

Spreadsheets
Databases
Financial reports
Trends in member borrowing, etc.

Graphic Designs

Flyers for marketing
Publications for distribution

Newsletter

Assess need
Design format
Train staff on usage
Determine circulation

Computer Usage

Train staff to use computer
Train staff on existing software
Train staff on new software
Develop users' guide
Modify and update users' guide

Correspondence

Design form letters
Set up address database
Set up files for labels
Set up and monitor e-mail

Host Credit Union Official	Student Intern Signature
Date	Date

GUIDELINES FOR PARTNER CREDIT UNION
AND
PARTNER AGREEMENT FORM

GUIDELINES FOR PARTNER CREDIT UNIONS

Please review and adhere to the criteria below, to aid us in monitoring the progress during the term of the student intern in your credit union.

The partner credit union must:

- For the purpose of this program, agree to partner with only one host credit union and one student, as selected by the host credit union.

- Complete and return the “Partner Agreement” form to the Office of Community Development Credit Unions as soon as possible upon completion of agreement with host credit union.

- Maintain contact with the host credit union to monitor and discuss progress of intern. Contact the OCDCU if problems are encountered either with the host credit union or the student intern.

- Agree to designate a mentor or manager to supervise and monitor the intern’s work.

- Designate the path that the intern will follow (e.g., finance, marketing, etc.), so that the intern will be properly monitored, and evaluated based upon their major courses and interests; and,

- Follow the plan presented that details the duties and functions in the credit union, to ensure that the intern is introduced to a wide variety of work experiences. This plan is designed to include most duties that are generally in credit unions. If the plan does not cover all areas in the credit union, it can be modified to adequately cover all areas. If plan is modified, a copy should be sent to OCDCU.

PARTNER AGREEMENT FORM

(Please complete and return this form <u>before</u> your internship begins)

The _____Credit Union, agrees to partner with _____ _____Credit Union, the host, and _____, a student at _____ _____. We agree to abide by the policies and procedures as explained by the Office of Community Development Credit Unions (OCDCU).

If we perceive a problem with either the host credit union or the student during the course of the internship, we will contact the (OCDCU) immediately, for guidance. We understand the TA stipend will be affected until all matters are resolved.

We understand that the student will serve in the host credit union three days per week and the partner credit union two days per week, for a total of 40 hours per week.

If the student must be absent from this credit union, for any reason, we agree to report this information to the host and to OCDCU.

Partner Credit Union Official Signature:_____
Name of Host Credit Union:_____
Date:_____

Mail To: **Office of Community Development Credit Unions**
Attention: Student Internship Program
1775 Duke Street
Alexandria, VA 22314

Phone: **(703) 518-6610**
Fax: **(703) 518-6619**

PARTNER CREDIT UNION EVALUATION PLAN

Partner Cre dit Union Evaluation Plan
(For accounting, business, finance, etc., interns)

Checklist of Duties to be Performed

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- Variable rates
- Simple interest
- Compound interest

Regulations
- Regulation B
- Regulation Z
- Fair Credit Act

Other
- _____
- _____

Loan Application
- How to complete
- How to analyze standard

Credit Bureau Report
- Purpose for
- How to run
- Explanation of
- Interpretation of

Collateral
- Purpose of
- Types of
- Titles
- Liens
- How to use value books

Debt to Income Ratio
- Purpose
- How to calculate

How to Conduct Loan Interviews

Payments and Terms
- Guidelines for terms
- How to calculate payments

Payment Options
- Payroll deduction
- Automatic transfer

Loan Closing
- Verifications
- Completion of documents
- Set up on computer

Policies

Loan Files
- Location of
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Adverse Actio n
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- Charge-offs
- Collection letters
- Collection phone calls
- Extensions
- Foreclosures
- Garnishments
- Policies of the CU
- Repossessions
- Right-to-cure
- Skip Tracing

_____ Partner Credit Union Official

_____ Student Intern Signature

_____ Date

_____ Date

Partner Credit Union Evaluation Plan
(For accounting, business, finance, etc., interns

Checklist of Duties to be Performed

Finance

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- Regulation D
- Regulation CC
- Truth-in-Savings

Other
- _____
- _____
- _____
- _____

Reports
- Reg D report to Fed
- Income and Expense

Other
- _____
- _____
- _____
- _____

Share Drafts
- Processing
- Returned checks
- Draft clearing

Payroll
- Employee timesheets
- Processing of payroll

Other
- Accruals and pre-paids
- Accounts payable/receivable
- ACH Network
- ATM processing
- Audits of vault
- Bank statement balancing
- Cash letters confirmed
- Change funds balanced
- Electronic funds transfer
- Government forms
- Journal vouchers reviewed
- Monthly depreciation
- Negative share processing
- Payroll deduction posting
- Process charge-off loan payment
- Records retention
- Vendor balancing

_____ _____
Partner Credit Union Official Student Intern Signature

_____ _____
Date Date

Partner Credit Union Evaluation Plan
(For marketing interns)

Checklist of Duties to be Performed

MARKETING

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

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Develop marketing program
Assist in developing marketing program
Design form to solicit information from members

Marketing Services

Types of new services desired
Highlight current services

Marketing Methodologies

E-mail messages
Internet
E-mail surveys
Interviews with members
Flyers
Publications
Focus groups
News articles
Sample “trinkets” such as key fobs

Partner Credit Union Official	Student Intern Signature
Date	Date

Partner Credit Union Evaluation Plan
(For information technology interns)

Checklist of Duties to be Performed

INFORMATION TECHNOLOGY

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

Computerized Reports Design

- Spreadsheets
- Databases
- Financial reports
- Trends in member borrowing, etc.

Graphic Designs

- Flyers for marketing
- Publications for distribution

Newsletter

- Assess need
- Design format
- Train staff on usage
- Determine circulation

Computer Usage

- Train staff to use computer
- Train staff on existing software
- Train staff on new software
- Develop users' guide
- Modify and update users' guide

Correspondence

_____	_____
Partner Credit Union Official Signature	Student Intern
_____	_____
Date	Date

STUDENT APPLICATION FORM
AND
CRITERIA FOR SELECTION

COLLEGE STUDENT CREDIT UNION
INTERNSHIP APPLICATION FORM

Name: _____

College/University: _____

Classification (Junior, Senior, etc.)**:** _____

Major area(s) of Study: _____

Permanent Address: _____

_____

School Address: _____

_____

Phone: (day _____**(evening):** _____**Fax**_____

Along with application forms, please submit a one-page narrative of why you want to participate in the Credit Union College Student Internship Program.

Applications should be sent to the chosen credit union. The Office of Community Development Credit Unions (OCDCU) maintains the right to review applications and, along with the credit union, assist in making selections. You will be notified by the credit union, of the date you will begin your internship.

If you have any questions while completing your application or at any other time please contact us at the address below:

Mail or Fax to:
Delores Martin, Program Specialist
Office of Community Development
Credit Unions
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22134
Phone: (703) 518-6610 Fax: (703) 518-6619

CRITERIA FOR SELECTION
(To be completed by student mak ing application)

Please complete all sections. Feel free to use additional pages if necessary. This program is open to University/College juniors and seniors and to second year Community College students majoring in business, accounting or marketing.

A. Provide a brief work history for the last two years.

B. Have you ever worked at a credit union or other financial institution? If yes, give dates, name of organization and describe your duties.

C. What are your major courses of study?

D. Are you considering a career in some facet of the credit union system? Banking or other financial institution? Please detail.

E. Are you a full-time student in good standing at your college or university? Please provide a letter from your counselor, advisor or dean on your current status as an undergraduate student.

F. If there is a requirement to travel during your internship with the credit union, are you willing to do so, at the expense of the credit union or other organization?

STUDENT AGREEMENT FORM

(Please complete and return this form <u>before</u> your internship begins)

I,_____, currently a student at _____, agree to abide by the policies and procedures as explained by the host credit union and the partner credit union.

If I encounter problems with either credit union during my internship, and we are unable to resolve them, I will contact the Office of Community Development Credit Unions (OCDCU) immediately, for guidance. I understand my stipend may be affected until all matters are resolved.

I understand that I will serve in the host credit union three days per week and the partner credit union two days per week, for a total of 40 hours per week.

If I must be absent from either credit union, I understand that my stipend will be adjusted accordingly, and results will be reported to the OCDCU.

I understand that my stipend will be given to me by the host credit union on the schedule agreed upon during my orientation.

Host Credit Union:_____
Partner Credit Union:_____
Date:_____

Mail To: **Office of Community Development Credit Unions**
Attention: Student Internship Program
1775 Duke Street
Alexandria, VA 22314

Phone: **(703) 518-6610**
Fax: **(703) 518-6619**