




Contract Management User Manual



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Getting Started

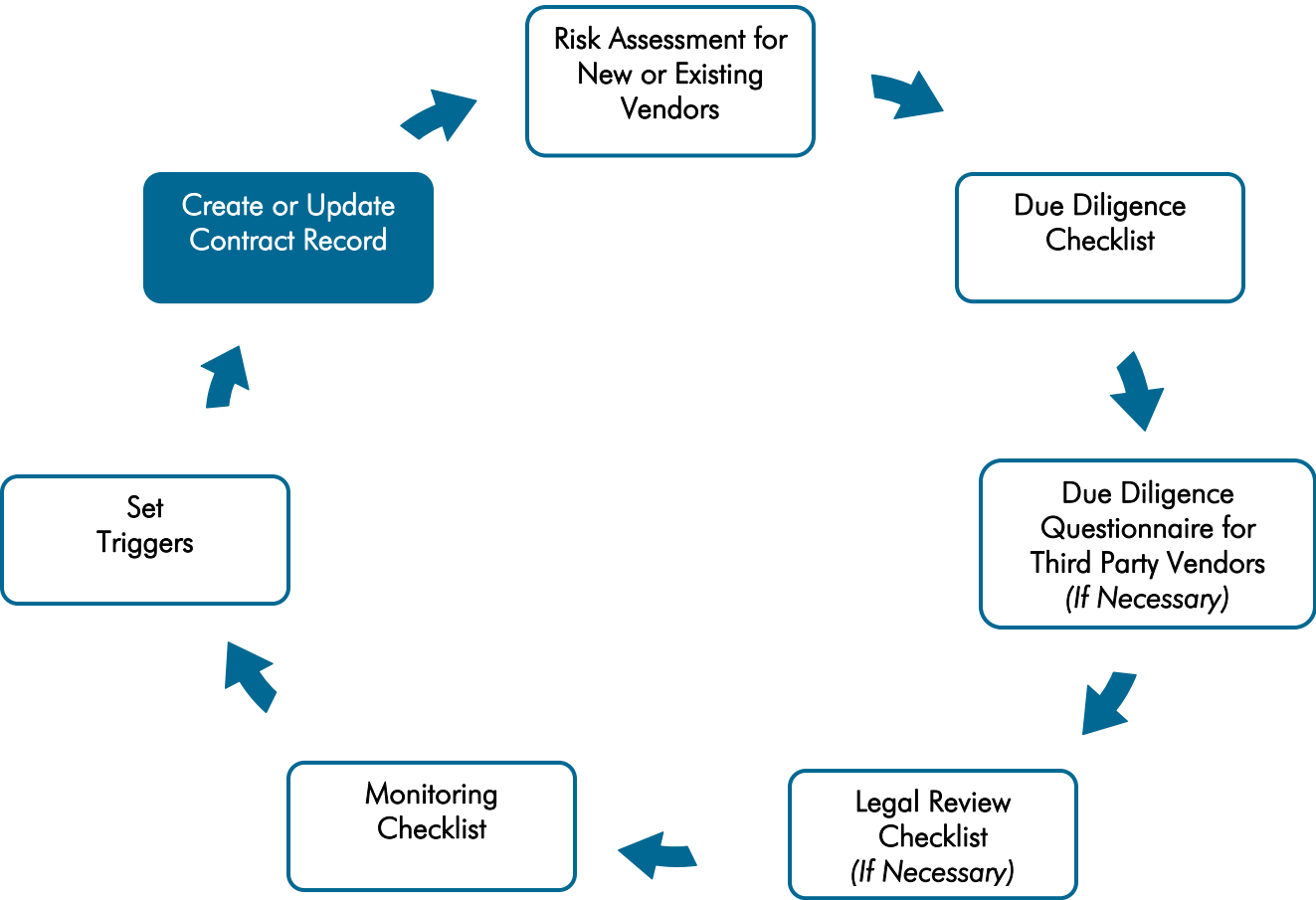
Welcome to the Ventelligence Contract Management program. This guide is designed to assist you in managing your contracts, conducting risk assessments and third-party due diligence activities. Advanced help features are available through the “Help” function, which appears as  in the Ventelligence system.

If you have any questions regarding the system, you may contact your FCUL Service Group Representative, Lori Vary, at lori.vary@fcul.com or via telephone at 941.747.9646.

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Due Diligence Process

Process & Workflow



Contract Manager Responsibilities in Ventelligence.....

Task:

Create or Edit Contract Record

Contract Manager Responsibility:

Enter new contract or review and update existing contract record information; attach a copy of the contract to the contract record. If the contract is for a new vendor, begin Risk Assessment and Due Diligence process detailed below.

Task:

Complete Risk Assessment for New or Existing Vendors

Contract Manager Responsibility:

Respond to questions in Risk Assessment template, save and submit responses, print report to file, and attach to contract record. (Forward to Management for approval, if required.)

Task:

Determine Level of Due Diligence and Evaluate Risk Assessment

Contract Manager Responsibility:

Review responses to Risk Assessment. If High Risk or Medium Risk exists, continue with Due Diligence Checklist. If Low Risk or No Risk exists, consider completing the general questions in Section 1 of the Due Diligence Checklist.

Task:

Complete Due Diligence Checklist

Contract Manager Responsibility:

Review Due Diligence Checklist and select the questions that are applicable to the vendor being reviewed. Save changes and respond to the questions. If there are questions that can't be answered, proceed to the Due Diligence Questionnaire for Third Party Vendors and contact the FCUL Service Group Consultant who will facilitate this process. Once the Due Diligence Checklist is complete, save and submit responses, print report to file, and attach to contract record.

Task:

Due Diligence Questionnaire for Third Party Vendors

Contract Manager Responsibilities in Ventelligence.....

Contract Manager Responsibility:

Determine which information is needed to complete the questions in the Due Diligence Checklist. Review the Due Diligence Questionnaire for Third Party Vendors and select the appropriate questions. Contact the FCUL Service Group Consultant to facilitate communications with the vendor to provide answers to the questions. Once reviewed and completed, print report to file, and attach to contract record.

Task:

Complete Legal Review Checklist

Contract Manager Responsibility:

Determine if the contract needs to be reviewed by the credit union’s legal consultant. Notify the Legal Department or attorney to review for completion. Once completed, print report to file and save to contract record.

Task:

Complete Monitoring Checklist

Contract Manager Responsibility:

Review and select appropriate questions in Checklist. Respond to questions, noting relevant dates for triggers. Once completed, save and submit responses, print report to file, and save to contract record. This is to be completed regardless of the risk status of the vendor.

Task:

Set Triggers

Contract Manager Responsibility:

Using the dates determined in the Monitoring Checklist, set the triggers required to notify staff and/or vendors of upcoming dates such as automatic renewal, bidding implementation process, final notification dates, or updated SAS70 reports.

Task:

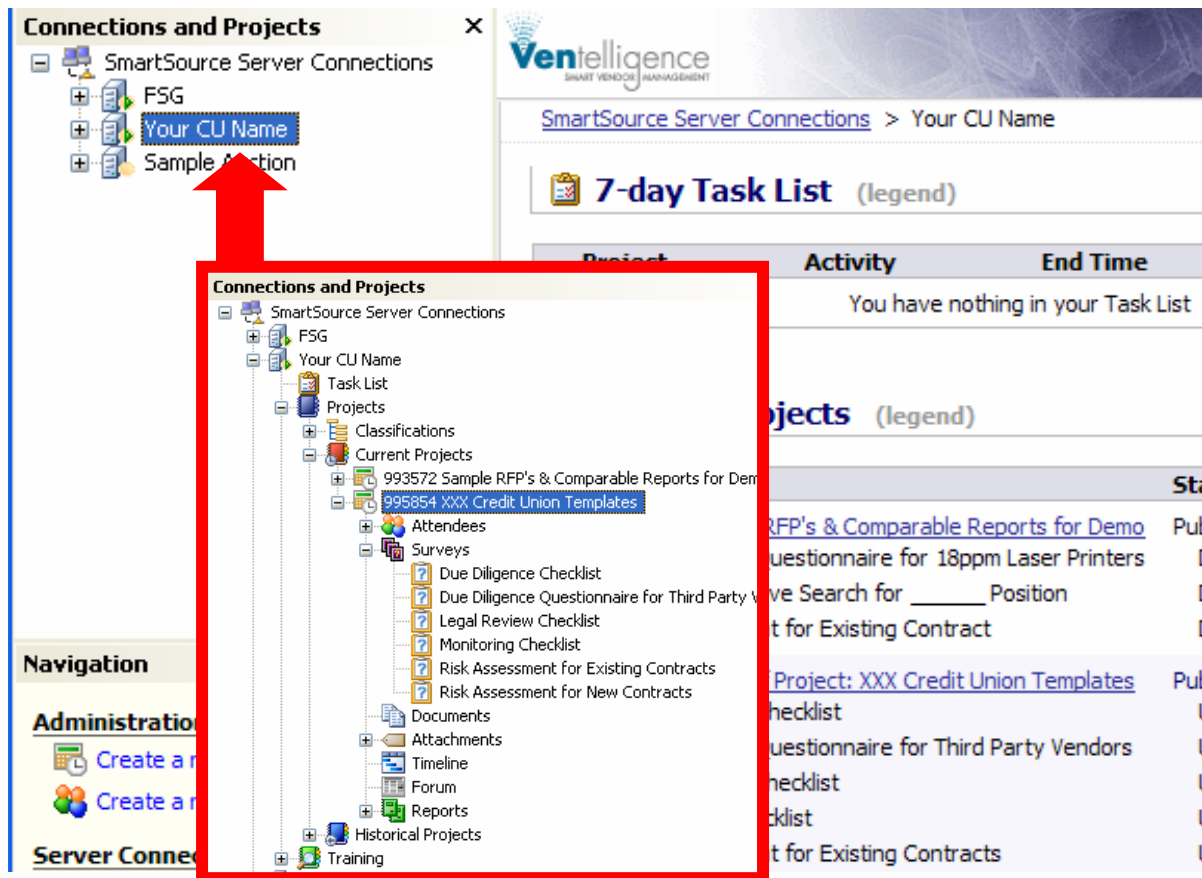
Update Contract Record

Contract Manager Responsibility:

Review contract information, set triggers for upcoming year, and attach all completed Risk Assessment & Due Diligence activities to the contract record.

Risk Assessment & Due Diligence: Creating New Projects

Creating (Cloning) a Project from an Existing Template

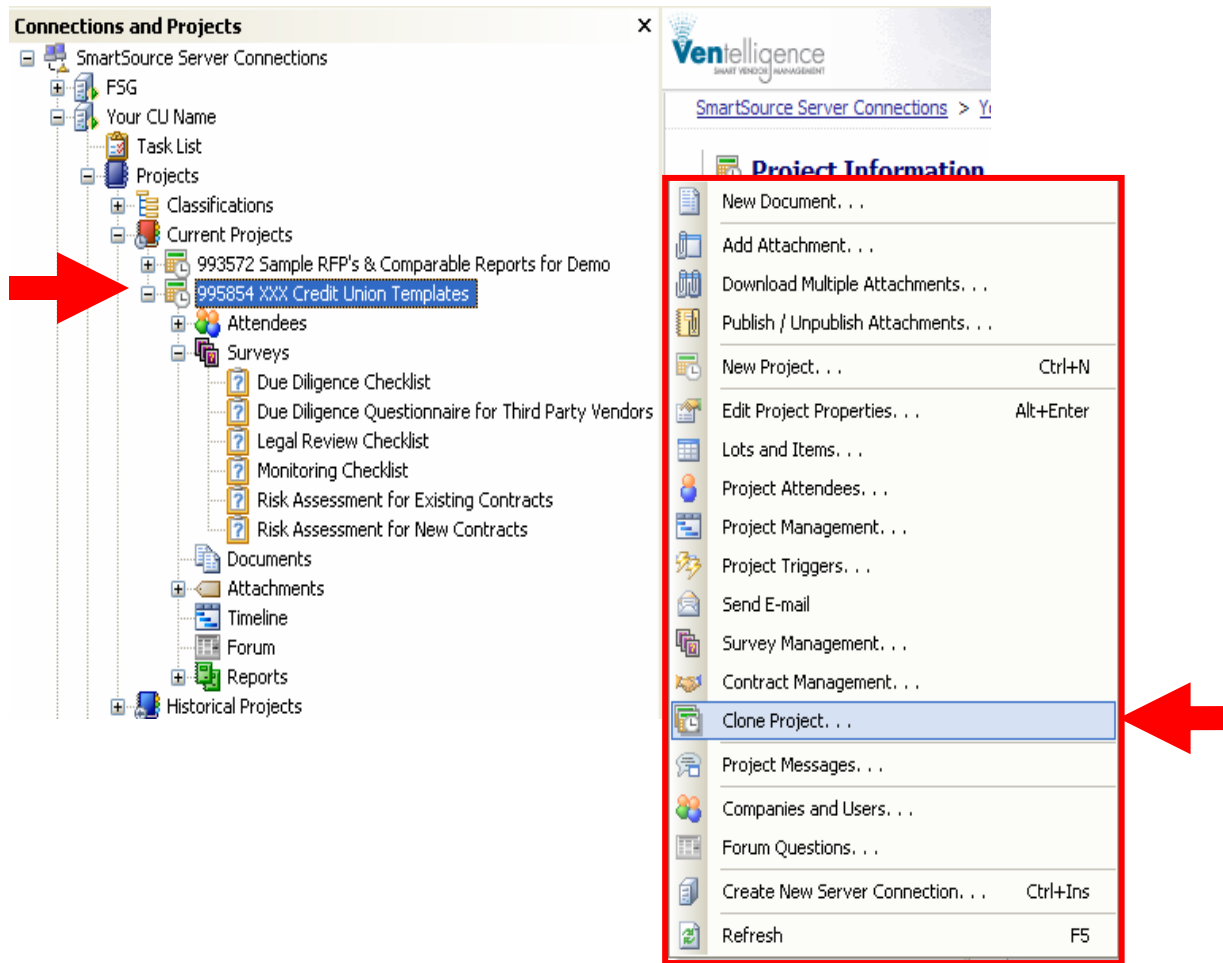


This is a sample of the first screen that appears when you initially open the Ventelligence program. The red-lined insert shows how the project tree appears when opened.

To access your project entitled (XXX Credit Union Templates) containing templates related to the Risk Assessment and Due Diligence process, follow the steps below:

- Click on the "+" beside your Server Connection (**Your CU Name**), which is located beneath SmartSource® Server Connections
- Click on the "+" beside Projects
- Click on the "+" beside Current Projects
- Locate the Project containing your Credit Union Name, and click on the "+" beside this project
- Click on the "+" beside Surveys

Risk Assessment & Due Diligence: Creating New Projects



We have provided you with a Master Credit Union Project specific to your credit union. You will need to create a new project from this Master Project in order to perform Risk Assessment and Due Diligence activities for each vendor. In order to create (or clone) a new project, simply right-click (in the tree view on the left) anywhere within the existing template, (shown above as **"XXX Credit Union Templates"**) and select **Clone Project**.

Your Master Credit Union Project is _____.

Risk Assessment & Due Diligence: Creating New Projects.....

Cloning Projects

Clone Project

Clone a Project
Check the settings of the current project that you want to copy, and uncheck those that you do not. Then click Finish.

Select the Project Name

Project Name: Clone of Project: XXX Credit Union Templates

New Start Time: 2/18/2009 12:00:00 PM

Select the Project Components to Copy

☒ Lots and Items

☐ Attendees

☐ Bids

☒ Documents and Attachments

☒ Surveys

☐ Survey Responses and Evaluations

☐ Project Forum

☐ Project Messages

< Back Finish Cancel Help

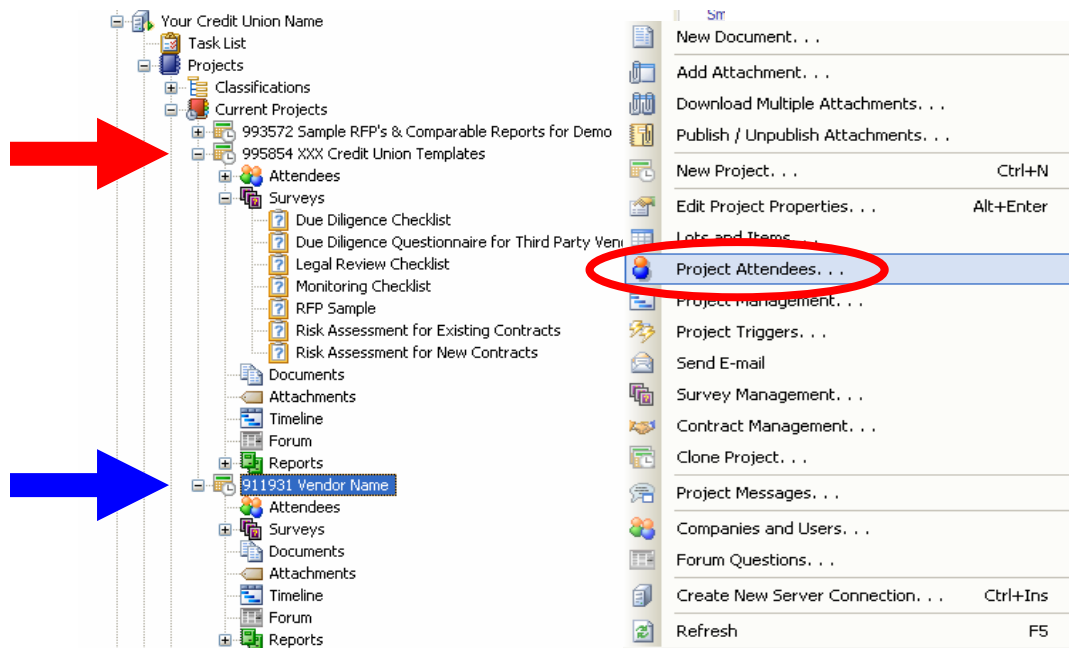
When the above screen appears, perform the following steps:

- Change the Project Name to the name of the vendor for which you're currently performing Risk Assessment and Due Diligence activities
- Uncheck the box beside Attendees (so only you will have access to this Project)
- Leave the check in the box beside Documents and Attachments
- Place a check in the box beside Surveys
- Click Finish

You have just copied the original Master Credit Union Project "XXX Credit Union Templates" and created a new Project for an individual vendor, which contains all of the Risk Assessment and Due Diligence Surveys.

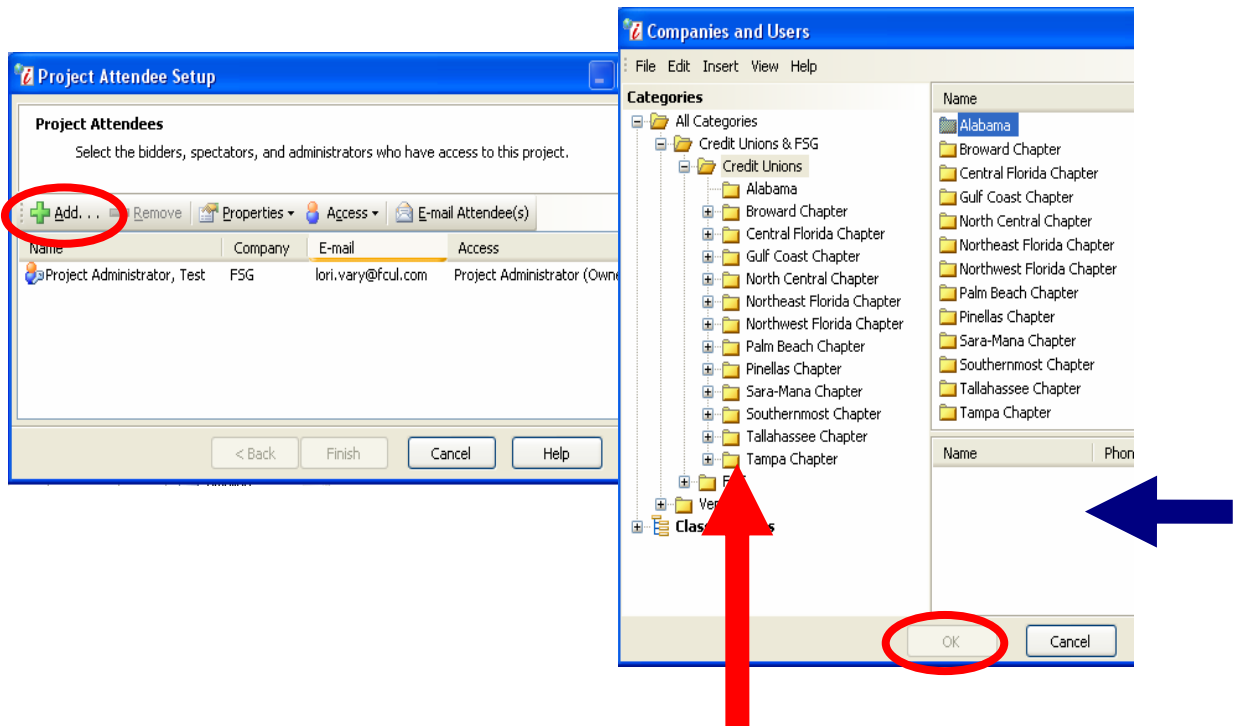
Risk Assessment & Due Diligence: Creating New Projects.....

Adding People (Attendees)



The original **Master Credit Union Project** is indicated above by the red arrow, and the **new Project you've created** is indicated by the blue arrow. If you want someone to have access to this Project (i.e. your manager, co-workers, etc., as designated by your credit union), you can provide this by simply right-clicking anywhere within the new Project and selecting **Project Attendees**.

Risk Assessment & Due Diligence: Creating New Projects

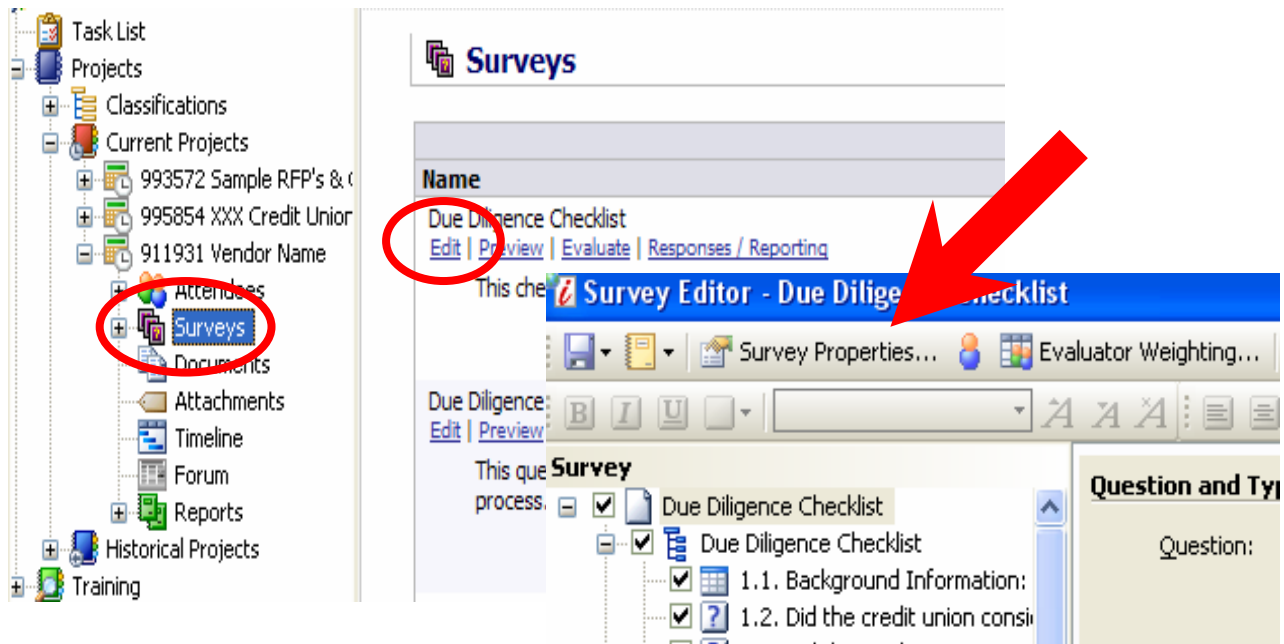


The above screen will appear. To add Attendees, perform the following steps:

- Click on Add, and **work in the tree view that appears on the left side of your screen**, indicated by the arrow above
- Click on the "+" beside Credit Unions and FSG
- Click on the "+" beside Credit Unions
- Locate the chapter for your credit union and click on the "+" beside your chapter
- **Click on your credit union and the attendees for your credit union will be on the bottom right hand side of the screen indicated by the blue arrow.**
- Click on the people you want to invite to the new Project. You have the ability to add one person at a time, or multiple people, by holding down the Control Key and selecting the desired names.
Note: this screen will only show people in your credit union that have a user license for the Ventelligence system.
- Once you've selected the Attendees required, click OK and **Finish**.

Risk Assessment & Due Diligence: Creating New Projects.....

Changing Survey Properties



The next steps in preparing for Risk Assessment and Due Diligence activities are to change your Survey Due Date (which is 12/31/2009 12:00 p.m. by default) and change your access within the Surveys from an Evaluator (which is the default access when cloning a project) to a Respondent by following the steps below:

- Click on **Surveys** within your newly created Project, which will provide you with a window on the right side of the screen containing all Survey Templates
- Select a Survey and click **Edit** to change the Due Date and your access for this Survey
- Click on **Survey Properties** indicated by the arrow above

Risk Assessment & Due Diligence: Creating New Projects.....

Changing Survey Due Date

Survey Properties -- Step 1 of 2

Survey Properties

Select the template to use and specify the name of the survey and a brief description. The Respondent due date is mandatory and will force respondents to submit responses by the date and time. The Evaluator due date is optional and if enabled will force evaluators to submit before the date and time.

Select a Survey Template

Template: Due Diligence Checklist

Survey Information

Name: Due Diligence Checklist

Description: This checklist is for the credit union manager to utilize in the due diligence process for a third party vendor.

Respondent Due Date: 12/31/2009 12:00:00 PM

Significant Digits: 0

☐ Enable Evaluator Due Date

Evaluator Due Date: 1/1/2010

December, 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

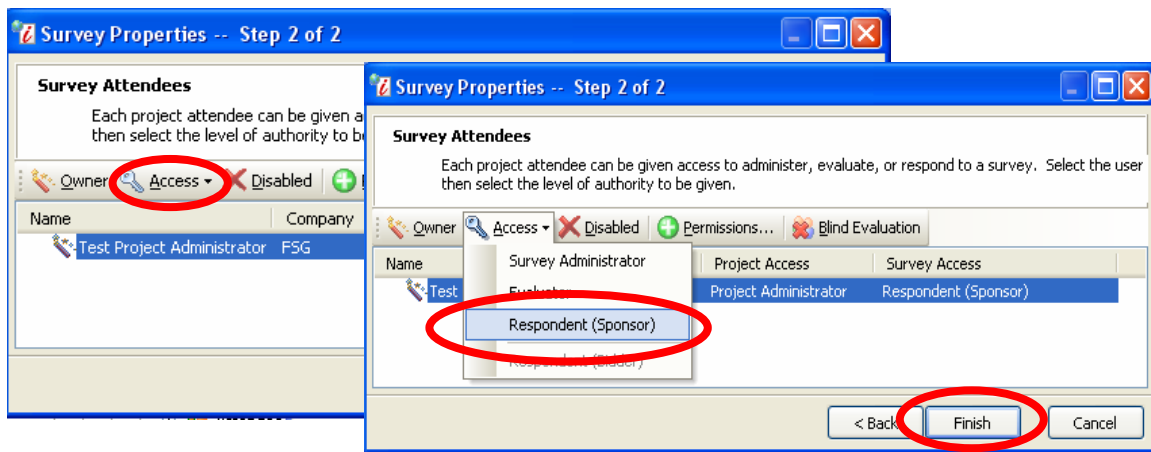
☐ Today: 2/19/2009

Next > **Cancel** **Help**

In order to set a timeframe or deadline for the completion of a Survey (by an employee or vendor), you must change the Due Date of the Survey. To do this, simply click on the drop down menu for **Respondent Due Date**, and a virtual calendar will appear. Once the desired dates and times are selected, click **Next** to proceed to the Survey Attendee Access screen.

Risk Assessment & Due Diligence: Creating New Projects

Changing Survey Access

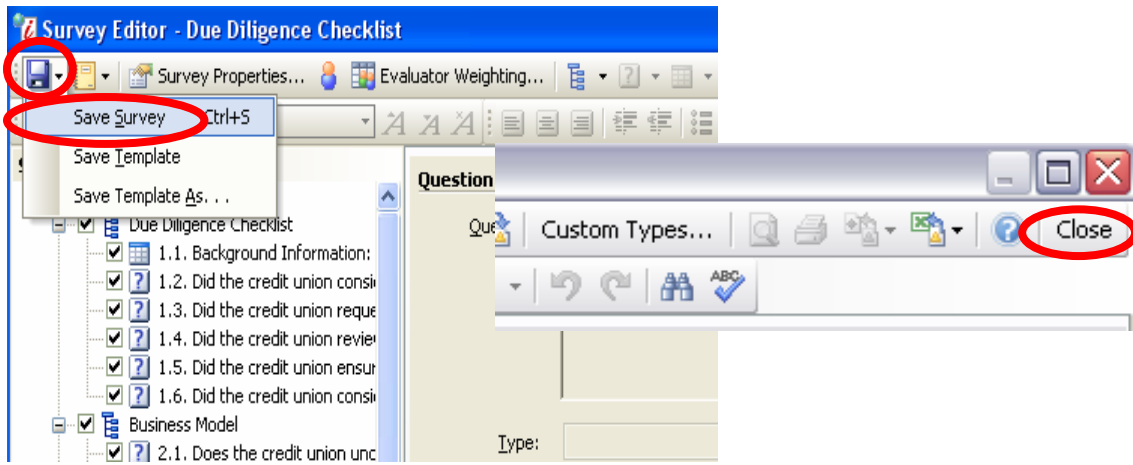


Once in the Survey Attendees screen:

- Click on your User Name (highlighted by the blue bar shown above)
- Click on **Access**
- Select **Respondent (Sponsor)**
- Click **Finish**

Risk Assessment & Due Diligence: Creating New Projects.....

Saving Survey Changes

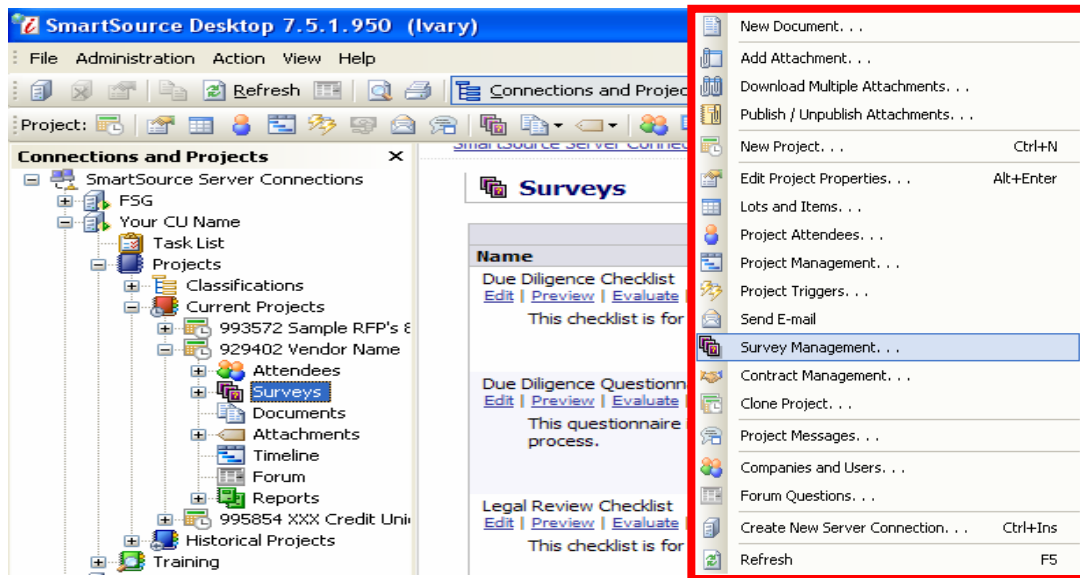


Once finished, click on the **Save** icon in the top left corner of the Survey and select **Save Survey**. Select **Close** and this completes the process for this particular Survey.

***Note:** These steps must be completed for each of the Surveys that you will be required to complete for this vendor within this project.

Risk Assessment & Due Diligence: Creating New Projects.....

Deleting Surveys

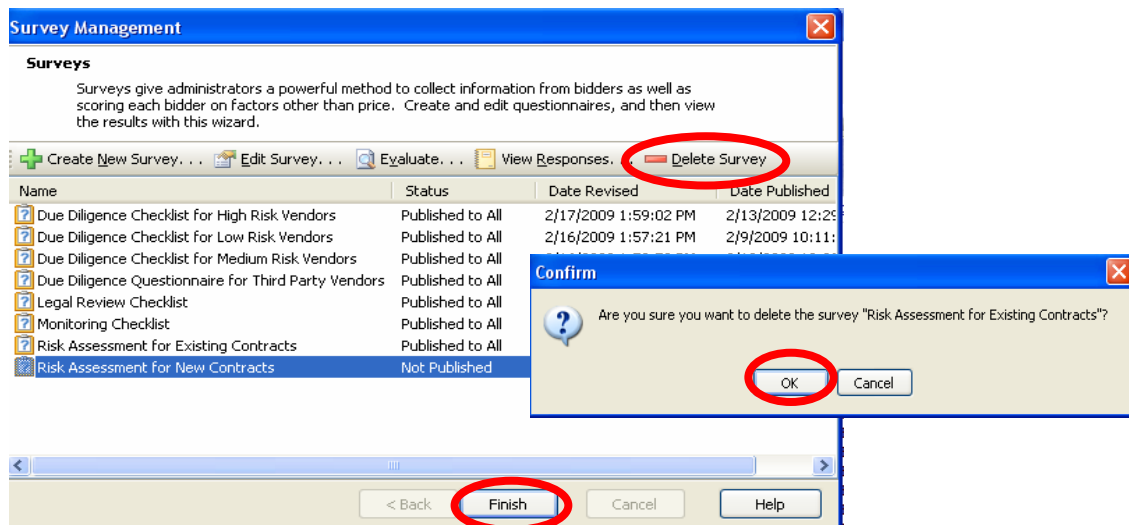


You will not be required to complete ALL of the Surveys for a vendor (i.e. you will need to complete only one Risk Assessment per vendor). Once you've selected and changed the Survey Properties for all of the Surveys you'll be required to complete for this vendor, you have the ability to delete the Surveys you won't be utilizing as follows:

- Place your cursor anywhere within the program you're working with (in the tree view on the left)
- Right click and select **Survey Management**

Risk Assessment & Due Diligence: Creating New Projects

Deleting Surveys (Continued)



You have the ability to select one Survey at a time, or multiple Surveys by holding down the Control Key and selecting the desired Surveys. To delete the Surveys you won't be utilizing perform the following:

- Select the desired Survey(s), and click on **Delete Survey**
- You will receive a confirmation message asking if you're sure you want to delete the Survey. If you are sure, click **OK**
- Then click **Finish**

You are now prepared to begin your Risk Assessment and Due Diligence activities.

Risk Assessment & Due Diligence: Editing & Responding to Survey Templates.....

Editing Survey Questions

Surveys	
Name	Status
Due Diligence Checklist Edit Preview Respond Responses / Reporting This checklist is for the credit union manager to utilize in the due diligence process for a third party vend	Published
Due Diligence Questionnaire for Third Party Vendors Edit Preview Respond Responses / Reporting This questionnaire is a request for information from third party vendors regarding their product or servi	Published
Legal Review Checklist Edit Preview Respond Responses / Reporting This checklist is for internal and external credit union legal staff to review for key contract clauses and l	Published
Monitoring Checklist Edit Preview Respond Responses / Reporting This checklist is for a credit union manager to utilize in determining the level of due diligence follow-up re	Published
RFP Sample Edit Preview Respond Responses / Reporting This document is for a credit union to utilize in distributing consistent instructions, details and specificati	Published
Risk Assessment for Existing Contracts Edit Preview Respond Responses / Reporting This assessment is for determining the level of risk associated with an existing third party vendor relatio	Published
Risk Assessment for New Contracts Edit Preview Respond Responses / Reporting This assessment is for determining the level of risk associated with a new third party vendor relationship.	Published

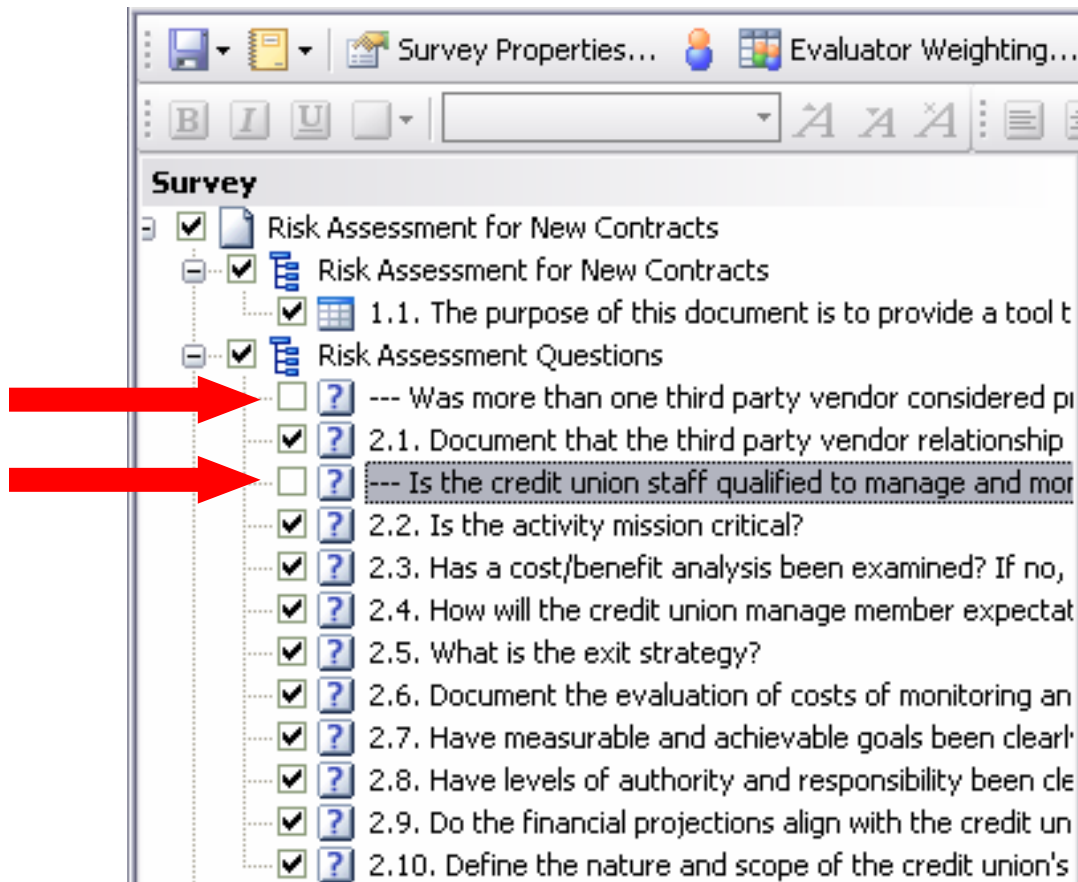
Within the “Surveys” Section of the project, you will have access to this page containing a list of Risk Assessment and Due Diligence templates in the Ventelligence program. All of these templates are for internal use by the credit union, with the exception of the Due Diligence Questionnaire for Third Party Vendors.

This particular Survey can be completed by the vendors within the software through a portal site. Once you’ve customized your questionnaire, you will simply contact the FCUL Service Group consultant who will provide the vendor with a user name and password to access the portal site and we will facilitate the process of communication with the third party vendor for you.

Each template is customizable to your credit union. You can choose which questions to include or revise in your Survey by clicking on the **Edit** link. If you decide not to edit your Survey or if you have already edited it, you can respond to the questions in the Survey by clicking on the **Respond** link.

Risk Assessment & Due Diligence: Editing & Responding to Survey Templates

Editing Survey Questions (Continued)

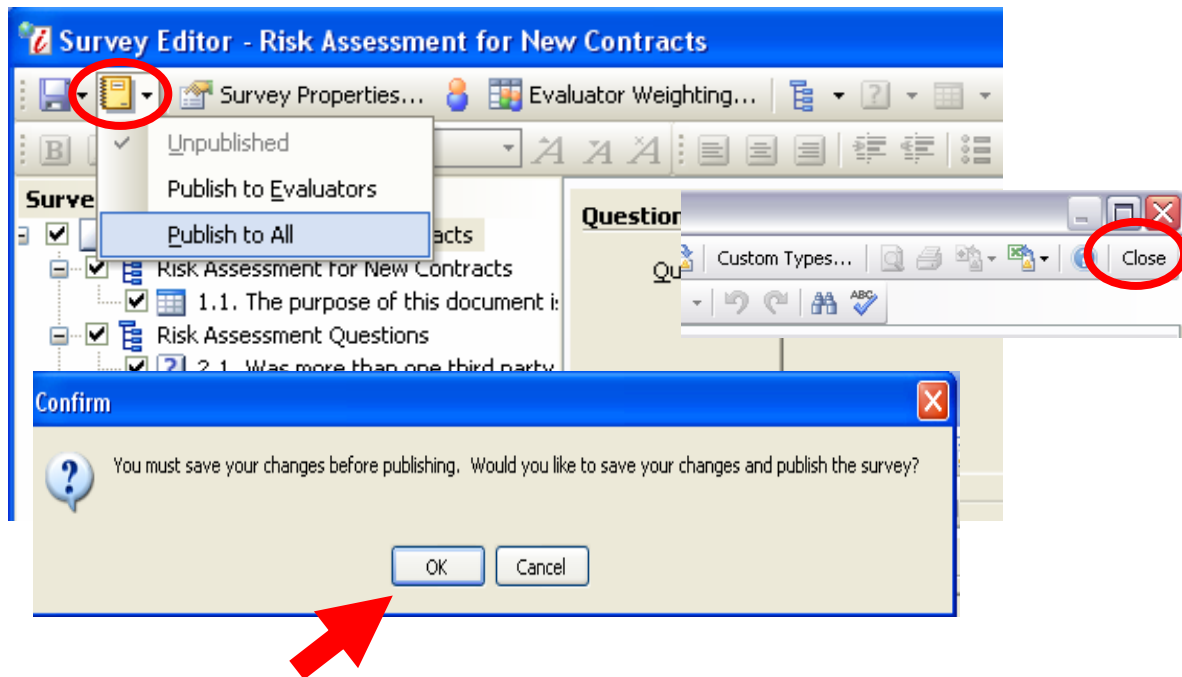


Once in the **Edit** mode, you can choose the questions you wish to exclude from the Survey by un-checking the box next to the question. When you remove the check from the box, the system automatically rennumbers the remaining questions in the section. You also have the ability to revise wording within each question and add new questions to the Survey.

Once all desired revisions have been completed, you will need to publish the Survey.

Risk Assessment & Due Diligence: Editing & Responding to Survey Templates

Publishing the Survey



In order for all Attendees that have been invited to this project to view the Survey and your responses, you must first publish the Survey as follows:

- Click on the **yellow icon** indicated by the **red circle** above on the left side of the screen
- Select **Publish to All** from the drop-down menu
- The above confirmation window will appear, asking you if you'd like to save the changes you have made. If you're comfortable with the changes, click **OK**
- Another window will appear confirming the Survey has been published
- Click **OK**
- Select **Close** from the toolbar at the top right corner of your Survey

Risk Assessment & Due Diligence: Editing & Responding to Survey Templates

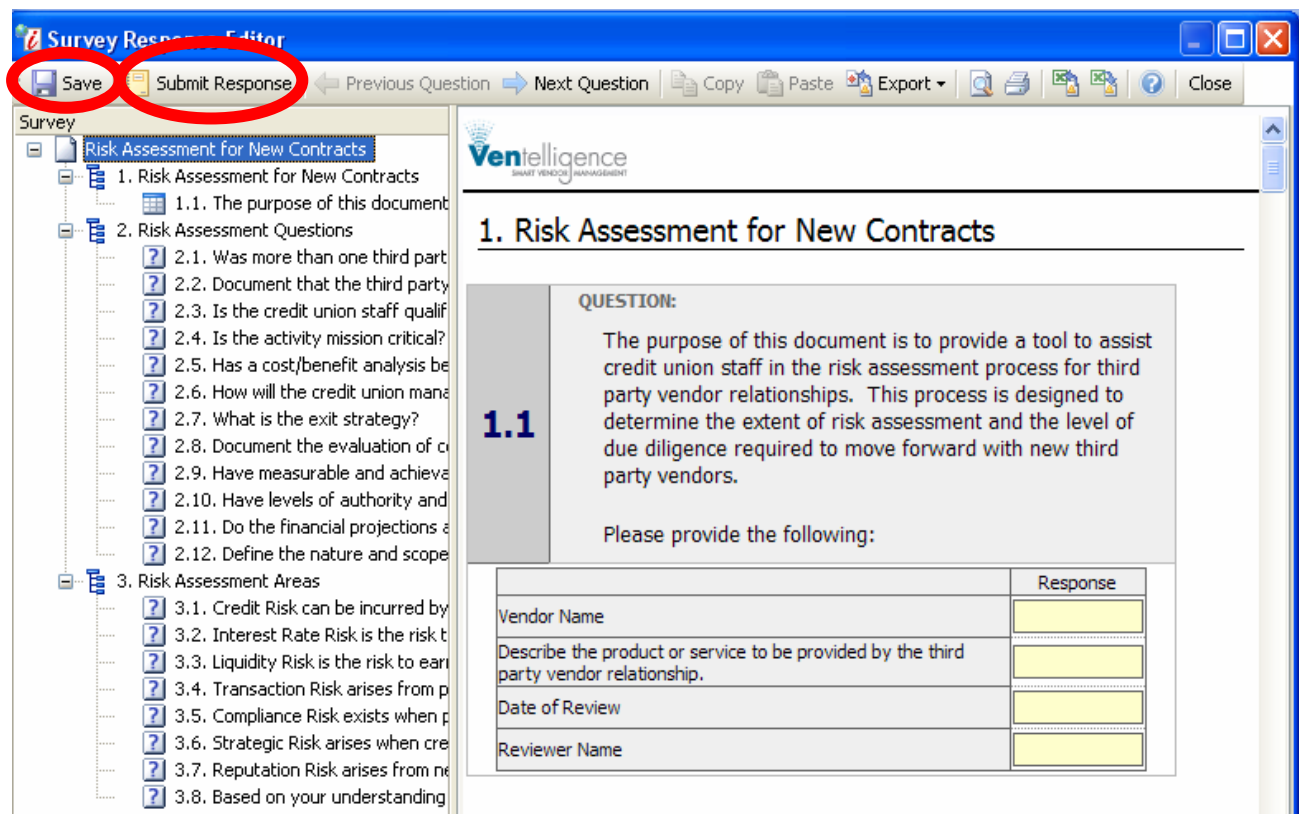
Responding to the Survey

Surveys	
Name	Status
Due Diligence Checklist Edit Preview Respond Responses / Reporting This checklist is for the credit union manager to utilize in the due diligence process for a third party vendor.	Published
Due Diligence Questionnaire for Third Party Vendors Edit Preview Respond Responses / Reporting This questionnaire is a request for information from third party vendors regarding their product or service process.	Published
Legal Review Checklist Edit Preview Respond Responses / Reporting This checklist is for internal and external credit union legal staff to review for key contract clauses and language.	Published
Monitoring Checklist Edit Preview Respond Responses / Reporting This checklist is for a credit union manager to utilize in determining the level of due diligence follow-up required for an existing third party vendor relationship.	Published
RFP Sample Edit Preview Respond Responses / Reporting This document is for a credit union to utilize in distributing consistent instructions, details and specifications to third party vendors pertaining to a specific commodity.	Published
Risk Assessment for Existing Contracts Edit Preview Respond Responses / Reporting This assessment is for determining the level of risk associated with an existing third party vendor relationship.	Published
Risk Assessment for New Contracts Edit Preview Respond Responses / Reporting This assessment is for determining the level of risk associated with a new third party vendor relationship.	Published

To respond to the survey, click on the **Respond** link in the Template window.

Risk Assessment & Due Diligence: Editing & Responding to Survey Templates

Responding to the Survey (Continued)



As you are responding to your Survey questions, you have the ability to save your Survey by clicking on **Save**, circled in red above. We encourage you to save frequently, as you would when working on files in either Excel or Word. Once you have completed your responses, click on **Submit Response** to complete the process.

Risk Assessment & Due Diligence: Editing & Responding to Survey Templates

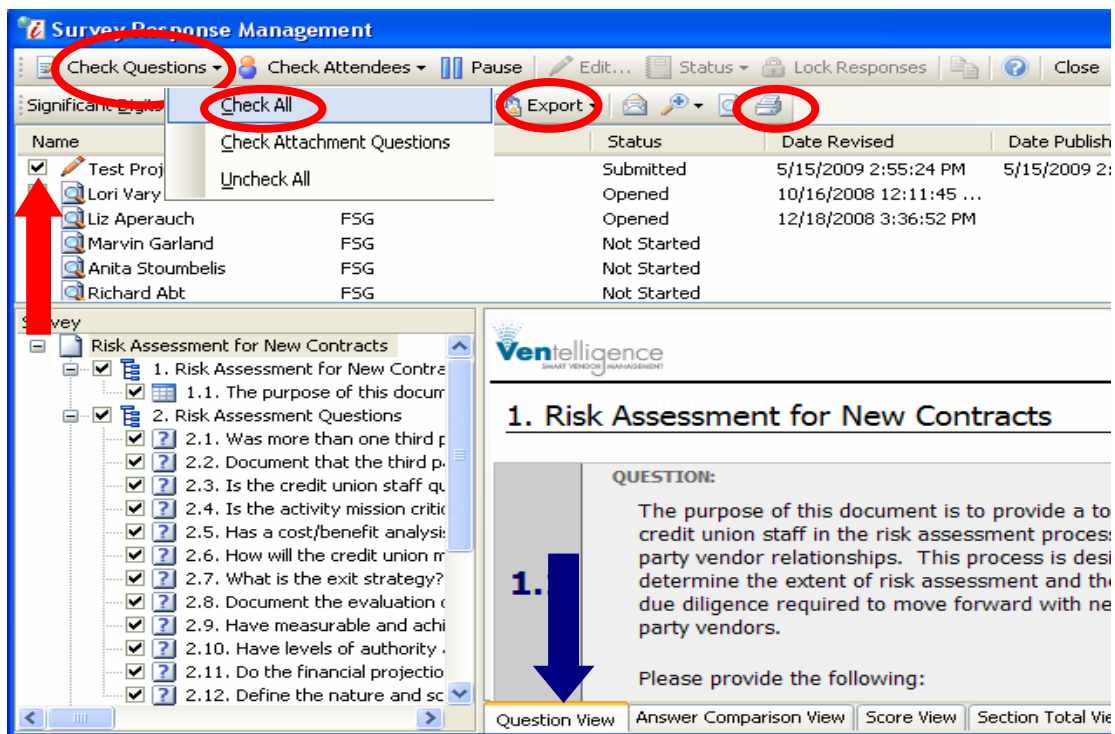
Viewing & Printing Responses

Surveys	
Name	Status
Due Diligence Checklist Edit Preview Respond Responses / Reporting This checklist is for the credit union manager to utilize in the due diligence process for a third party vendor.	Published
Due Diligence Questionnaire for Third Party Vendors Edit Preview Respond Responses / Reporting This questionnaire is a request for information from third party vendors regarding their product or service process.	Published
Legal Review Checklist Edit Preview Respond Responses / Reporting This checklist is for internal and external credit union legal staff to review for key contract clauses and items.	Published
Monitoring Checklist Edit Preview Respond Responses / Reporting This checklist is for a credit union manager to utilize in determining the level of due diligence follow-up re existing third party vendor relationship.	Published
RFP Sample Edit Preview Respond Responses / Reporting This document is for a credit union to utilize in distributing consistent instructions, details and specifications to third party vendors pertaining to a specific commodity.	Published
Risk Assessment for Existing Contracts Edit Preview Respond Responses / Reporting This assessment is for determining the level of risk associated with an existing third party vendor relationship.	Published
Risk Assessment for New Contracts Edit Preview Respond Responses / Reporting This assessment is for determining the level of risk associated with a new third party vendor relationship.	Published

To review the responses and print the report to a file, click on the **Responses/Reporting** link in the Template Window.

Risk Assessment & Due Diligence: Editing & Responding to Survey Templates

Print Report to File



To view the questions and answers, check the box beside the person's name whose responses you want to review. Click the down arrow on the **Check Questions** button, and select **Check All** to view all questions and answers. You will be able to view the report from several different perspectives, depending upon the number of respondents and scoring options. For the purposes of this exercise, we will focus only on the **Question View**.

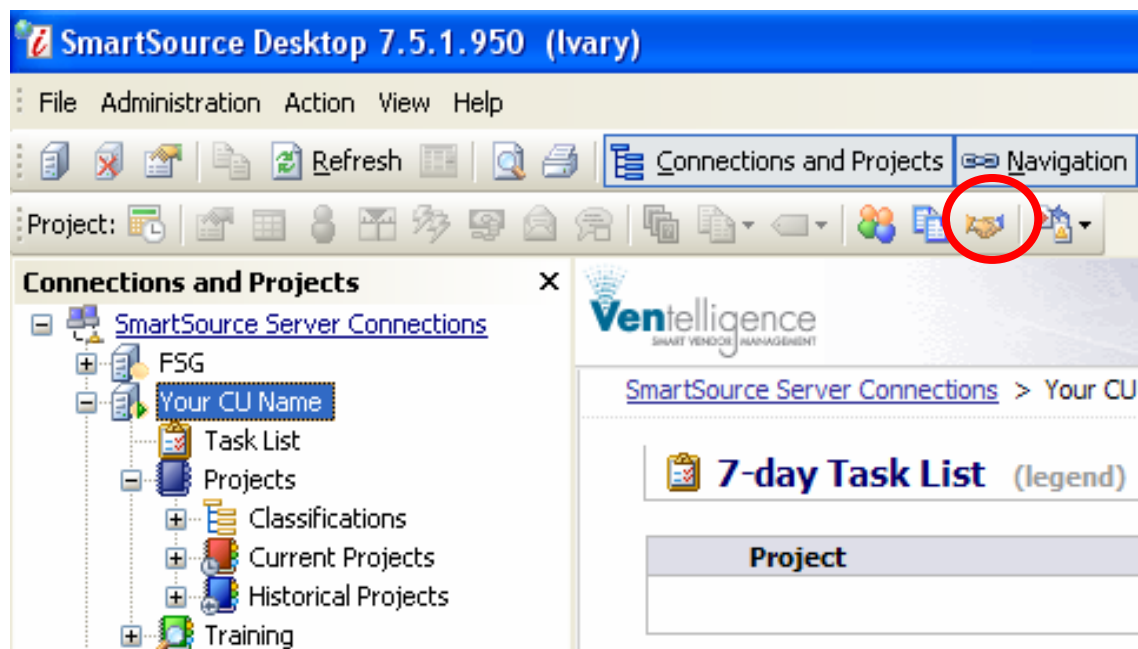
Depending upon your credit union's policies, you have several options for printing the reports to an electronic file.

- PDF: If you have a PDF Writer, click on the Printer icon and select it as the printer. Save the document to a file where you can locate it easily.
- Word: If you prefer a Word document, click on the **Export** button and select the option **Export Page to Word**, then save the Word document to a file where you can easily locate it.
- Excel: If you prefer to save it as an Excel file, click on the **Export** icon and select one of the options for Excel.
*Note: The Excel export will require additional formatting to make a document that is easy to read. For this reason, we do not recommend that you use this option.

The procedure for attaching these documents to the contract record is outlined in the Contract Record Management Section.

Contract Management: Entering & Reviewing Contract Information.....

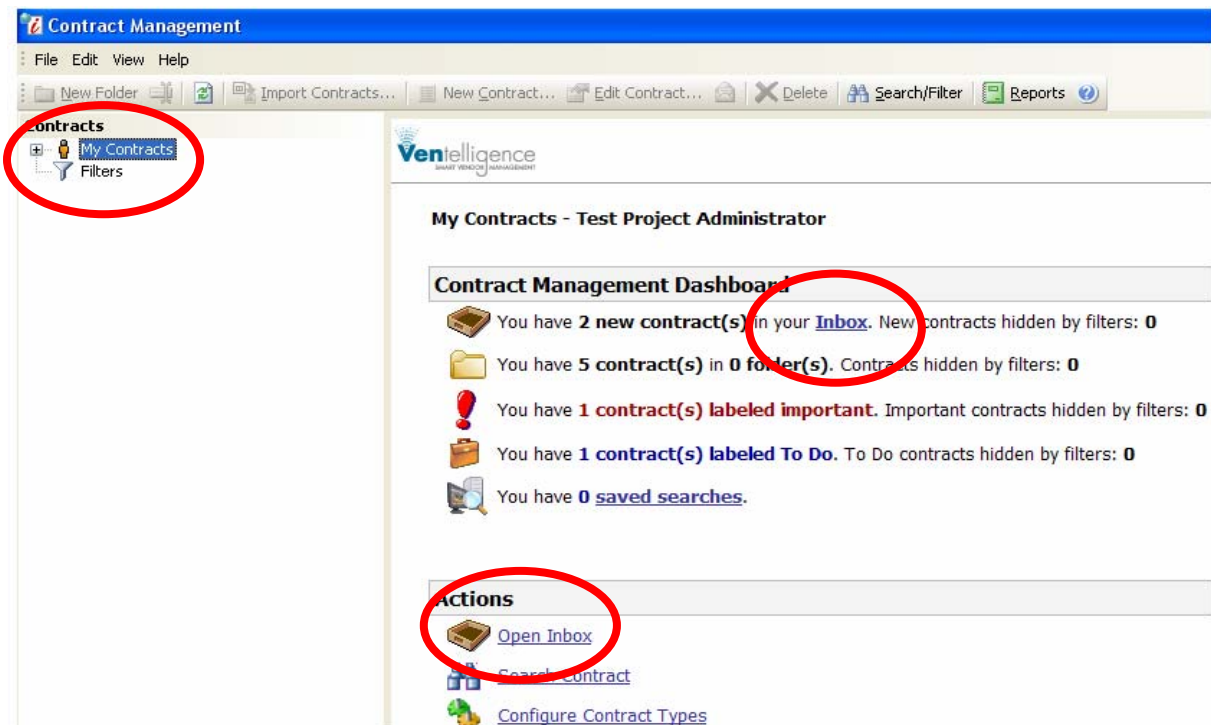
Contract Management Link



To access Contract Management, click the **Handshake** symbol (indicated in the above screen shot) on the toolbar.

Contract Management: Entering & Reviewing Contract Information.....

Contract Management Initial Screen



To access your contracts, click the **Inbox** link. Open **Inbox** link or expand the **My Contracts** node in the tree view on the left, then click **Inbox**. The Contract Management Inbox is user-specific and can be organized and filtered according to your own needs and preferences, without impacting other users' views.

Contract Management: Entering & Reviewing Contract Information.....

Dashboard

New Contract...





Edit Contract...

Delete

Search/Filter

Reports

ew: All

	Name	Description	Contract Type	Risk Assessme...
	CU24	ATM/Debit Card Processor	Basic Contract incl 7 Risk Areas	High
	Dunbar	Armored Car Services	Basic Contract incl 7 Risk Areas	High
	Morgan, Colling ...	CPA & Auditing Services	Basic Contract incl 7 Risk Areas	High
	Symitar	Core System	Basic Contract incl 7 Risk Areas	High
	Xerox	Copier Rental, Purchase a...	Basic Contract incl 7 Risk Areas	Low

The Dashboard contains a list of your contracts. All contracts that you have access to are available in the dashboard and will initially appear in **bold type**, which signifies that you haven't viewed them. Once you've viewed them, they will appear in regular type.

You also have the ability to label your contracts. As illustrated in the above screen shot, the briefcase icon indicates a "To Do" item, and is in **blue type**, and the exclamation point icon indicates an "Important" item, and is in **red type**.

Once you click on the contract name, all of the details pertaining to that contract record will appear.


Contract Management: Entering & Reviewing Contract Information.....

View: All


No Filters Enabled

Column Headers


Name	Description	Contract Type
CU24	ATM/Debit Card Processor	Basic Contract incl 7 Risk Areas

 **Contract Management**

Contract Name: CU24
Contract Type: Basic Contract incl 7 Risk Areas
ATM/Debit Card Processor

 **Company Information**

Name	Value
Company Name	CU24
Commodity	ATM/DC System
Company Contact Person	Richard Kimball
Company Address	875 Cook County Hospital Way Chicago, IL 60601
Company Contact e-Mail Address (s) & Websites	rkimball@cu24.com

 **Key Contract Dates**

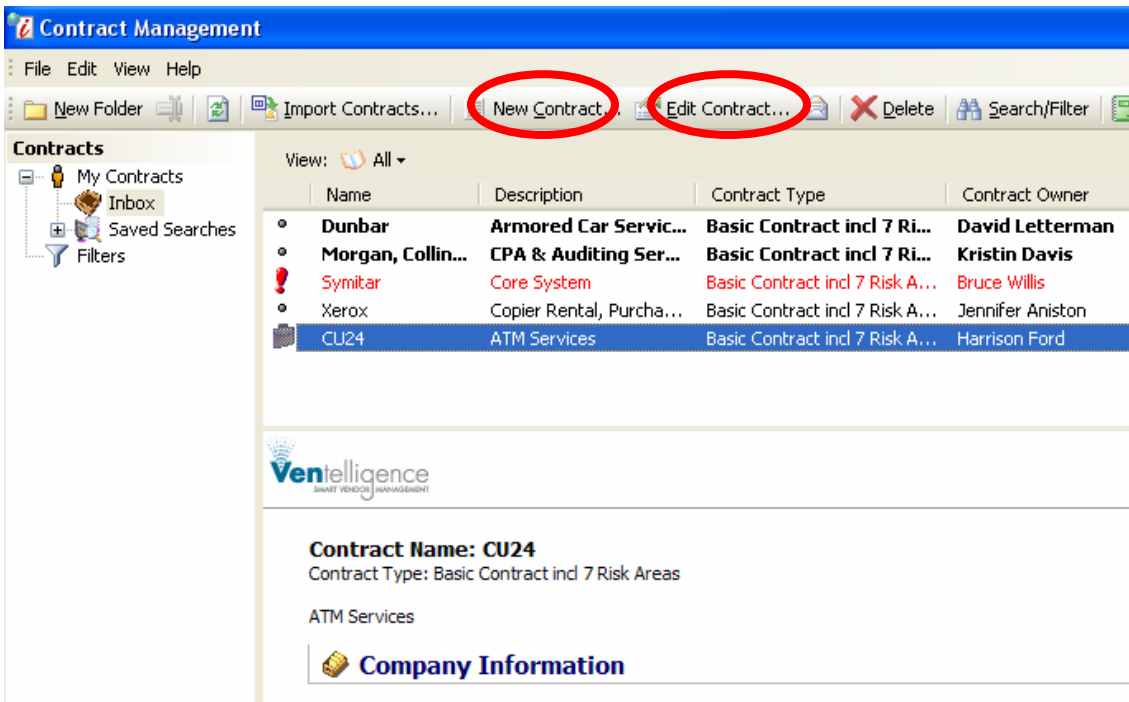
Name	Value
Begin Date	3/19/2007
End Date	3/18/2009
Bid Date (Begin to look at new vendors to solicit bids)	9/18/2008
Near Date (Date to provide notice to vendor if not renewing contract)	12/18/2008
Automatic Contract Renewal Date	12/18/2008

This is a sample of some of the details available in an individual contract record view.

In addition to Company Information and Key Contract Dates (shown above), additional details include Risk Assessment, Due Diligence, Legal, Internal Information, Monitoring, Parties & Attendees, Notes, Documents, and Triggers.

Entering & Editing Contract Information.....


Entering Contract Information








To enter a new contract record or edit portions of the contract record, click on either **New Contract** or **Edit Contract**, as appropriate.

Entering & Editing Contract Information.....

“Editing” Shortcuts

 **Related Links**

Links	
 Add/Edit/Delete Parties and/or Attendees	 Add/View a Note
 Add/Edit/Delete Documents	 Delete Contract
 Add/Edit/Delete Triggers	

Links at the bottom of the individual contract record allow you to access 4 sections of a current Contract Record quickly or delete the Contract Record.

Contract Management Steps

Contract - Step 1 of 12

Contract Information

Define the contract name and type, then type a description. Fields in red with an asterisk are required.

Contract Information

Contract Name*: CU24

Description: ATM/Debit Card Processor

Contract Type*: Basic Contract incl 7 Risk Areas

< Back Next > Cancel Help

A custom Contract Type was created for your credit union. The number of steps for a contract will vary depending upon the Contract Type. The first step to creating a new contract or editing an existing contract involves defining the contract name, description, and contract type. The items in **red font with an asterisk** are required and the system will not allow you to progress without entering information in these fields.

Be sure to double check that you have selected the correct contract type on this page.

Your Contract Type is _____.

Click **Next** when you have finished.

Contract Management Steps

Contract - Step 2 of 12

Internal Information

Please enter the specified fields for this contract. Fields in maroon and with an asterisk are required fields.

Internal Information

Annual Spend Amount (Enter numbers; exclude characters)

15000

Contract Owner

Harrison Ford

< Back

Next >

Cancel

Help

The information in this step may vary according to your customized contract type.

When completed, click **Next**.

Contract Management Steps

Contract - Step 3 of 12

Company Information
Please enter the specified fields for this contract. Fields in maroon and with an asterisk are required fields.

Company Information

Company Name* CU24

Commodity ATM/DC System

Company Contact Person Richard Kimball

Company Address 875 Cook County Hospital Way
Chicago, IL 60601

Company Contact Telephone Number

Company Contact e-Mail Address(s) rkimball@cu24.com

< Back Next > Cancel Help

Please note that the Company Name is a required field in this particular contract type. Required information is indicated by red font and an asterisk.

Note: Since the Company Contact Telephone Number field has been left blank, nothing will appear in the contract record view in the dashboard, including the field name.

When completed, click **Next**.

Contract Management Steps

The screenshot shows a software window titled "Contract - Step 4 of 12". Inside, there is a section titled "Key Contract Dates" with a sub-header "Please enter the specified fields for this contract. Fields in maroon and with an asterisk are required fields." Below this, there are five rows of date selection fields, each with a calendar icon to its right. The first row, "Begin Date", has the value "Monday, March 19, 2007 12:00:00 AM" and is circled in red. The second row, "End Date", has the value "Wednesday, March 18, 2008 12:00:00 AM". The third row, "Bid Date (Begin to look at new vendors to solicit bids)", has the value "Thursday, September 18, 2008 12:00:00 AM". The fourth row, "Near Date (Date to provide notice to vendor if not renewing contract)", has the value "Thursday, December 18, 2008 12:00:00 AM". The fifth row, "Automatic Contract Renewal Date", has the value "Thursday, December 18, 2008 12:00:00 AM". At the bottom of the window are four buttons: "< Back", "Next >", "Cancel", and "Help".

Field	Value
Begin Date	Monday, March 19, 2007 12:00:00 AM
End Date	Wednesday, March 18, 2008 12:00:00 AM
Bid Date (Begin to look at new vendors to solicit bids)	Thursday, September 18, 2008 12:00:00 AM
Near Date (Date to provide notice to vendor if not renewing contract)	Thursday, December 18, 2008 12:00:00 AM
Automatic Contract Renewal Date	Thursday, December 18, 2008 12:00:00 AM

This step allows you to select dates for key events in the life cycle of your contract. These dates will assist in defining reminders or “Triggers” in the final step of creating the contract.

The first date in this step (Begin Date, circled in red) will default to the current date if you haven’t selected a date. Please be sure to highlight and delete this date if it is incorrect.

Once you’ve selected all relevant dates, click **Next**.

Contract Management Steps

Contract - Step 5 of 12

Risk Assessment Information
Please enter the specified fields for this contract. Fields in maroon and with an asterisk are required fields.

Risk Assessment Information

Has Risk Assessment Worksheet been completed and approved by appropriate staff? Yes

Credit Risk Low

Interest Rate Risk (please select)

Liquidity Risk High

Transaction Risk Medium

Compliance Risk Low is mission critical

Strategic Risk No Risk

Reputation Risk Level is High as member data is at risk

Risk Assessment Overall Medium

Risk Assessment Report Date Monday, May 12, 2008 12:00:00 AM

< Back Next > Cancel Help

This step will allow you to enter Risk Assessment ratings; the results will display on the individual contract record screen in the dashboard to provide information at a glance.

Once the information is completed to your satisfaction, click **Next**.

Contract Management Steps

Contract - Step 6 of 12

Due Diligence Information

Please enter the specified fields for this contract. Fields in maroon and with an asterisk are required fields.

Due Diligence Information

Has the Due Diligence Checklist been completed and approved by appropriate staff?

Yes

Is it necessary for this third party vendor to complete a Due Diligence Questionnaire?

(please select)

Has the third party vendor completed the Due Diligence Questionnaire?

(please select)

< Back

Next >

Cancel

Help

This step allows you to track the status of the Due Diligence Process for this contract.

Once the information is completed to your satisfaction, click **Next**.

Contract Management Steps

Contract - Step 7 of 12

Legal Information

Please enter the specified fields for this contract. Fields in maroon and with an asterisk are required fields.

Legal Information

Reviewed By LegalNo

< Back

Next >

Cancel

Help

This step tracks the contract’s progress through the approval process by the Legal Department or your attorney, if applicable.

When you have completed the information to your satisfaction, click **Next**.

Contract Management Steps

Contract - Step 8 of 12

Monitoring Information

Please enter the specified fields for this contract. Fields in maroon and with an asterisk are required fields.

Monitoring Information

Has the monitoring checklist been completed and approved by appropriate staff?

Yes

Date of Most Current Annual Financial Report

Date of Most Current SAS 70 Report

Friday, August 08, 2008 12:00:00 AM

Date of Most Current Insurance Policy

Friday, August 08, 2008 12:00:00 AM

< Back

Next >

Cancel

Help

This step allows you to track key monitoring information for the contract. These dates will also assist in defining reminders or “Triggers” in the final step of creating the contract.

Once you have completed the information to your satisfaction, click **Next**.

Contract Management Steps

Contract - Step 9 of 12

Parties and Attendees

Add, rename, or delete parties or attendee(s). A party is generally the name of a company or group of people; attendees are the people within a party.

+ Add Party + Add Attendee Access Remove Layout

Internal

- FSG
 - Vary, Lori (Owner)
 - Project Administrator, Test (Attendee)
 - Hammock, Lisa (Attendee)

External

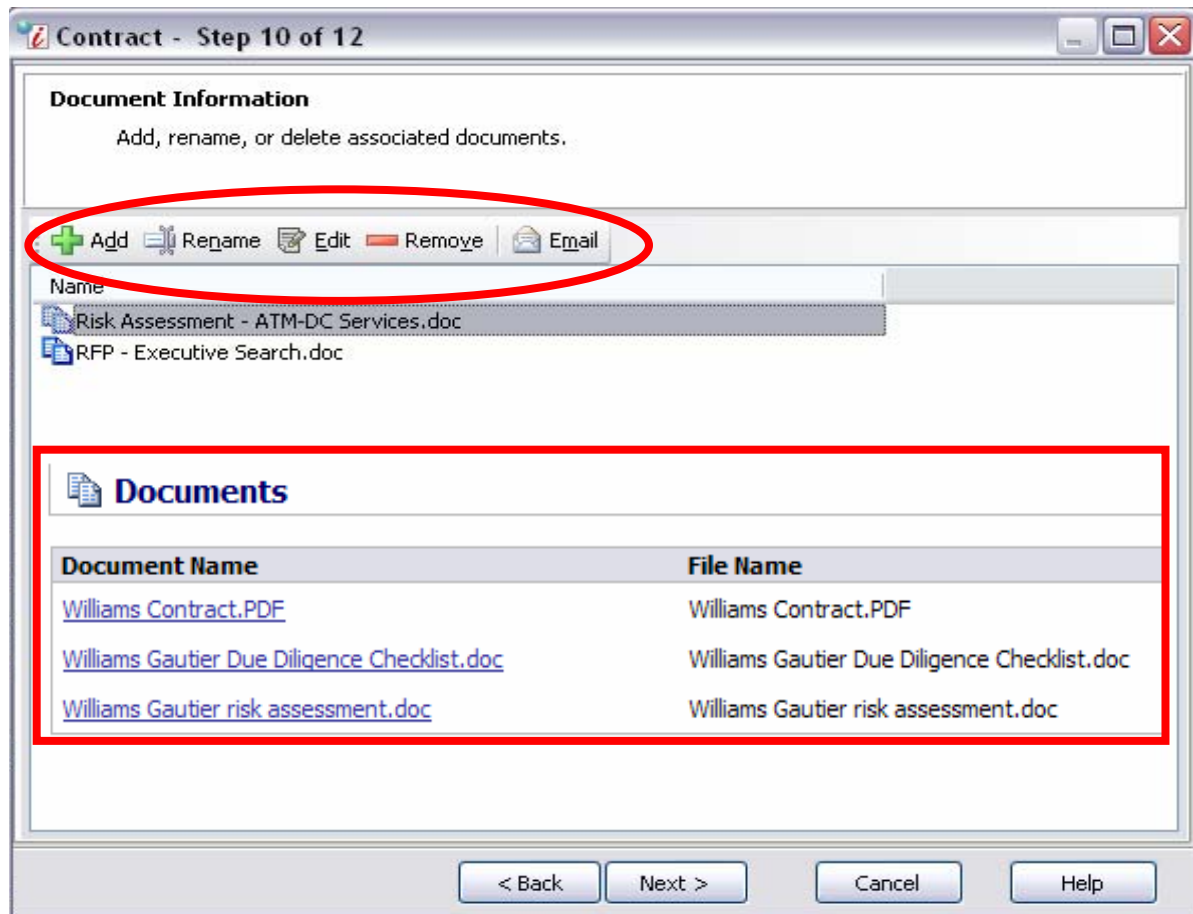
< Back Next > Cancel Help

This step enables you to define who will be provided access to the contract record details. A Party is a group of people; whereas, Attendees are individual people who can view the Contract Record in their Contract Management Inbox. **They will have the ability to modify and delete the contract**, so bear this in mind when making these assignments.

***Note:** Only people in your credit union who have a user license for the Ventelligence program will be displayed here.

Once you have completed assigning attendees, click **Next**.

Contract Management Steps

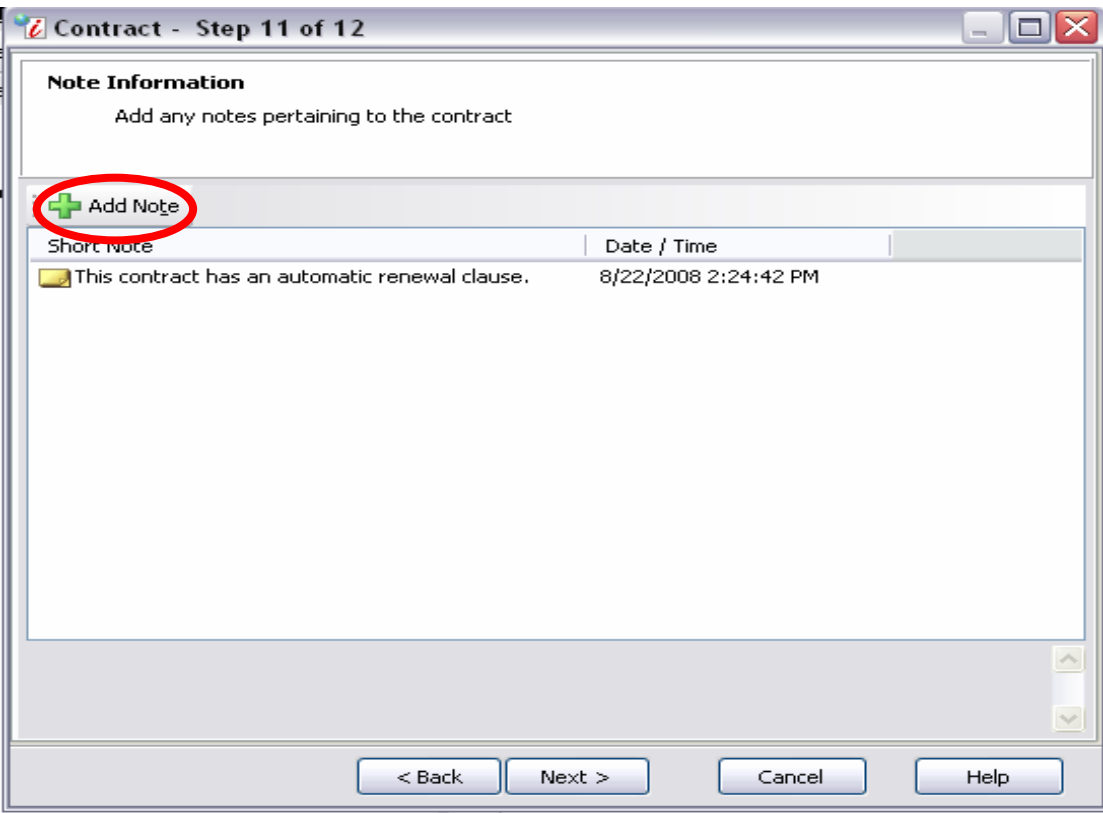


This step allows you to attach documents such as contracts, addendums, risk assessments, due diligence checklists, legal checklists, and monitoring reports as you progress through the due diligence process. If you're not prepared to attach a document at this time, click **Next**.

To add a document, click **Add** on the toolbar and follow the prompts. Once you select a document, the other toolbar features (circled in red above) become available to you. Once the appropriate documents have been attached, click **Next**.

***Note:** Whenever you've attached a document to your contract record, you can open it by clicking on the document link you've created and saving it to your preferred drive. Once you're finished viewing and/or printing your document, you can delete the document from your drive if so desired.

Contract Management Steps

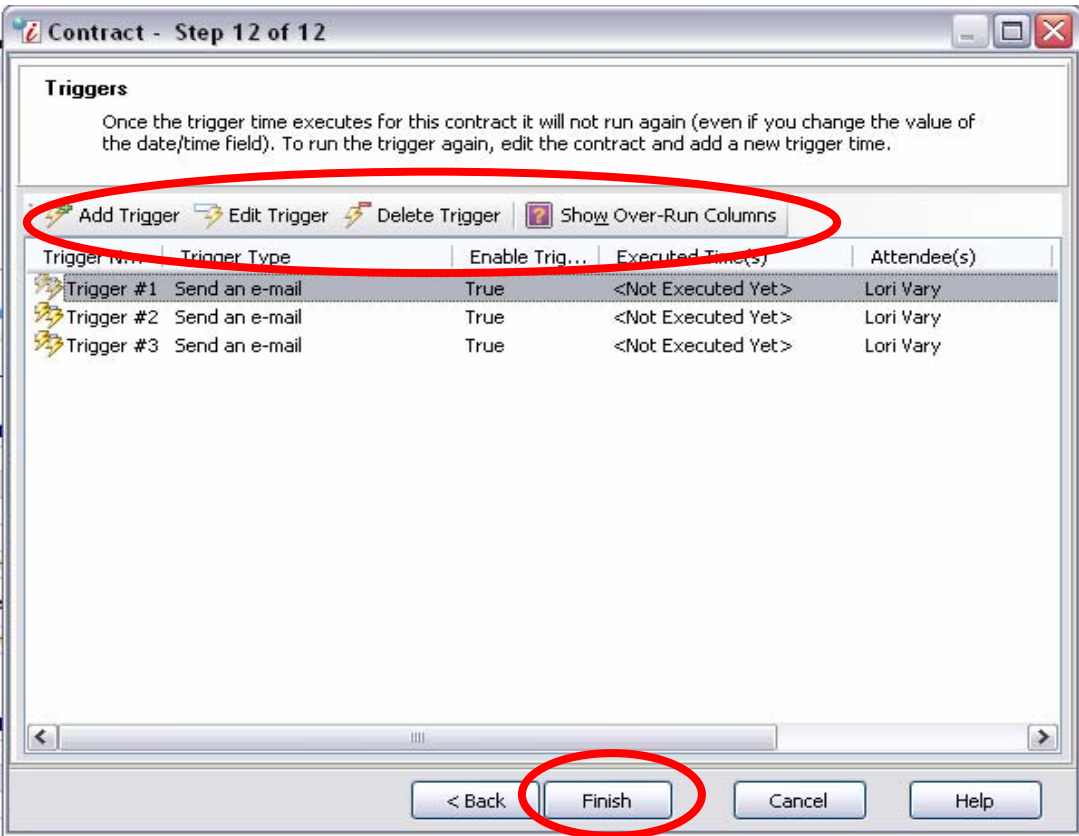


Any relevant notes are attached to the contract through this step.

Reminder: Once a note has been added, it cannot be edited or deleted.

To add a note, click **Add Note** and follow the instructions. To continue, click **Next**.

Contract Management Steps



This is the step that allows you to define times and types of **Triggers**, which are reminders of certain events throughout the life-cycle of the contract. These events could include reminders of automatic renewal, expiration dates, collection of updated SAS 70 reports, or even to consider new vendors.

Once you’ve selected an existing **Trigger**, the other toolbar features become available to you.

If you don’t wish to add a trigger at this time, click **Finish** and your contract record will be complete. To add a new **Trigger**, click on the **Add Trigger** button. More details regarding the next steps are on the following pages.

Contract Management Steps

Creating Triggers

Contract Trigger - Page 1 of 3

Trigger Action

Select an action for the trigger to perform. If you make a mistake while defining this trigger, click "Set Back to Default" to cancel your changes.


Trigger Action

☒ Send an E-mail

☐ Set a Label

☐ Change Field

Revert Trigger to Default

 Set Back to Default

☒ Enable Trigger

< Back

Next >

Cancel

Help

Although there are 3 formats available for your **Triggers**, it is highly recommended that all triggers be defined to send an email. This will ensure your receipt of active notices for upcoming events, regardless of whether or not you’ve logged into the Ventelligence program.

Once you have made the proper selection, click **Next**.

Contract Management Steps

Creating Trigger Email Documents

Contract Trigger - Page 2 of 3

E-mail Trigger
Define the e-mail contents, then select the recipients (contract owner or all contract attendees). You can also add individual recipients.

Send an E-mail

E-mail Document: ...

Select Attendees

☒ The Contract Owner ☐ All Internal Attendees
☐ All Attendees in the Contract ☐ All External Attendees

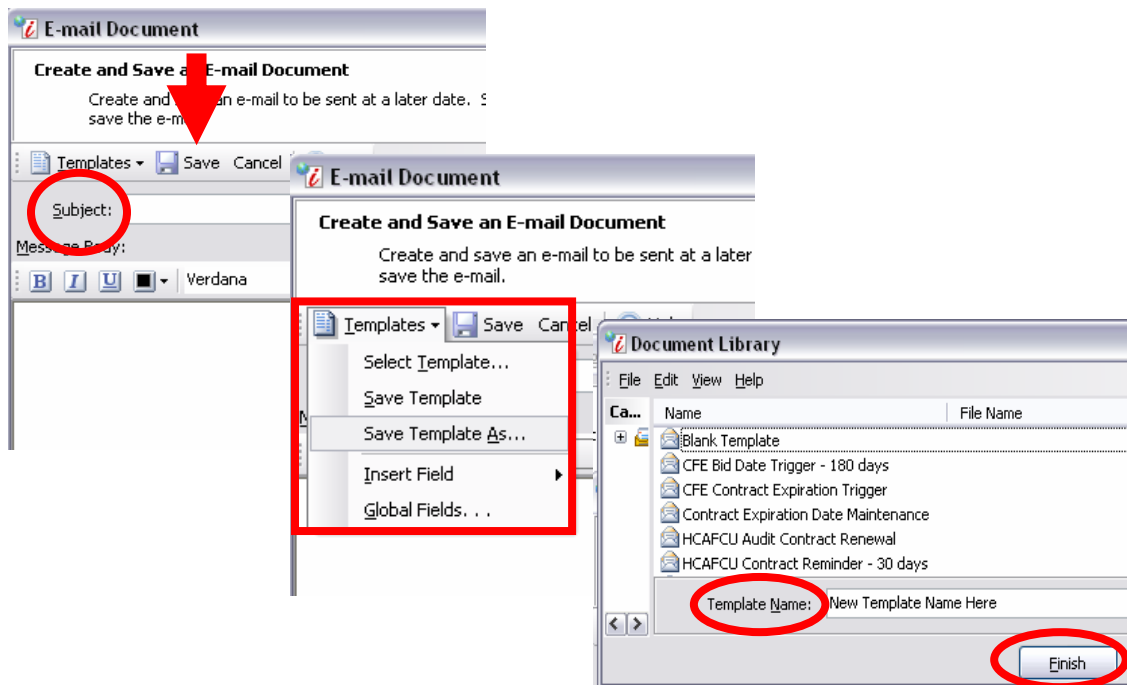
+ New Attendee(s) ... - Delete Attendee(s)

	Name	E-mail
<input type="checkbox"/>	Hammock, Lisa	lisa.hammock@fcu.com
<input type="checkbox"/>	Project Administrator, Test	lori.vary@fcu.com
<input checked="" type="checkbox"/>	Vary, Lori	lvary@fcu.com

☒ Enable Trigger

There are numerous email templates within the Document Library of the Ventelligence program from which you can select to develop your own customized templates, or you can create your own. To begin, click on the **browse box circled in red**. You will be unable to proceed until you have selected an E-mail Document.

Contract Management Steps



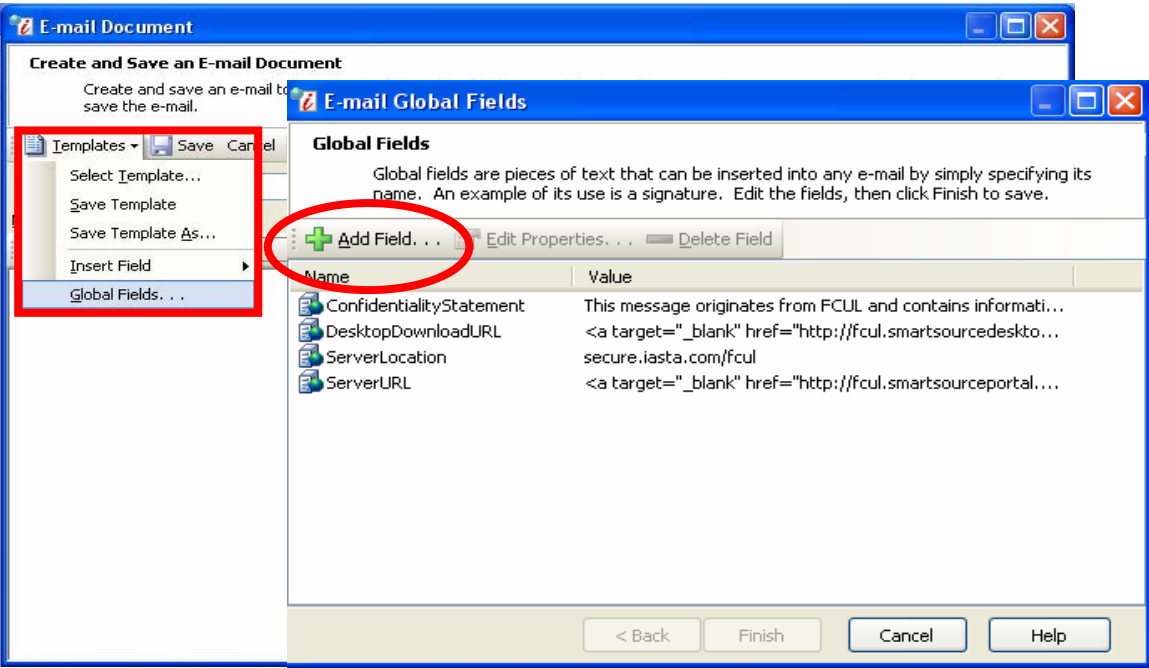
You can create a new email document by typing the subject in the Subject line and typing the message in the Message Body. If you wish to utilize this email repeatedly, you can save this as a template for future Triggers for additional contracts. **Do not save over an existing template.** Simply select Templates (in the red square above) then “**Save Template As...**”, then name your template in the box beside **Template Name** and click Finish. It is recommended that you identify your credit union in the beginning of the template name to differentiate it from other credit unions, and to make it easier for you to locate in the future. A folder referencing your credit union name is available for you to save all of your email documents.

You can also utilize existing templates in the Document Library as a starting point to create your email document. Simply select Templates then **Select Template** to browse the existing email templates. Follow the steps above to customize and save your email document.

Once the email is completed, click on **Save** (indicated by the red arrow above) to save this email to the Trigger itself and the program will return you to the Trigger implementation process.

Contract Management Steps

Creating Email Global Fields



When creating your email, you have the option to create **Global Fields**, which contain text such as a confidentiality statement or an email signature that can be inserted into any email template at the click of a button. Click on Global Fields, and then Add Field.

Contract Management Steps

E-mail Global Field

Specify a Global Field

Specify the field's access along with its name and value. The field name must only contain letters and numbers. Click Finish to save your changes.

Field Access

☐ All users in the subdomain can use this field ☐ This field is required

☒ This field is private -- only I can use it

Field Information

Field Name: ConfidentialityStatement

Field Value: This message originates from XXX Credit Union and contains information which may be confidential or privileged and is intended only for the individual or entity named above. It is prohibited for anyone else to disclose, copy, distribute or otherwise use the contents of this message.

< Back Finish Cancel Help

Server URL: ConfidentialityStatement This message originates from XXX Credit Union and contain...

< Back Finish Cancel Help

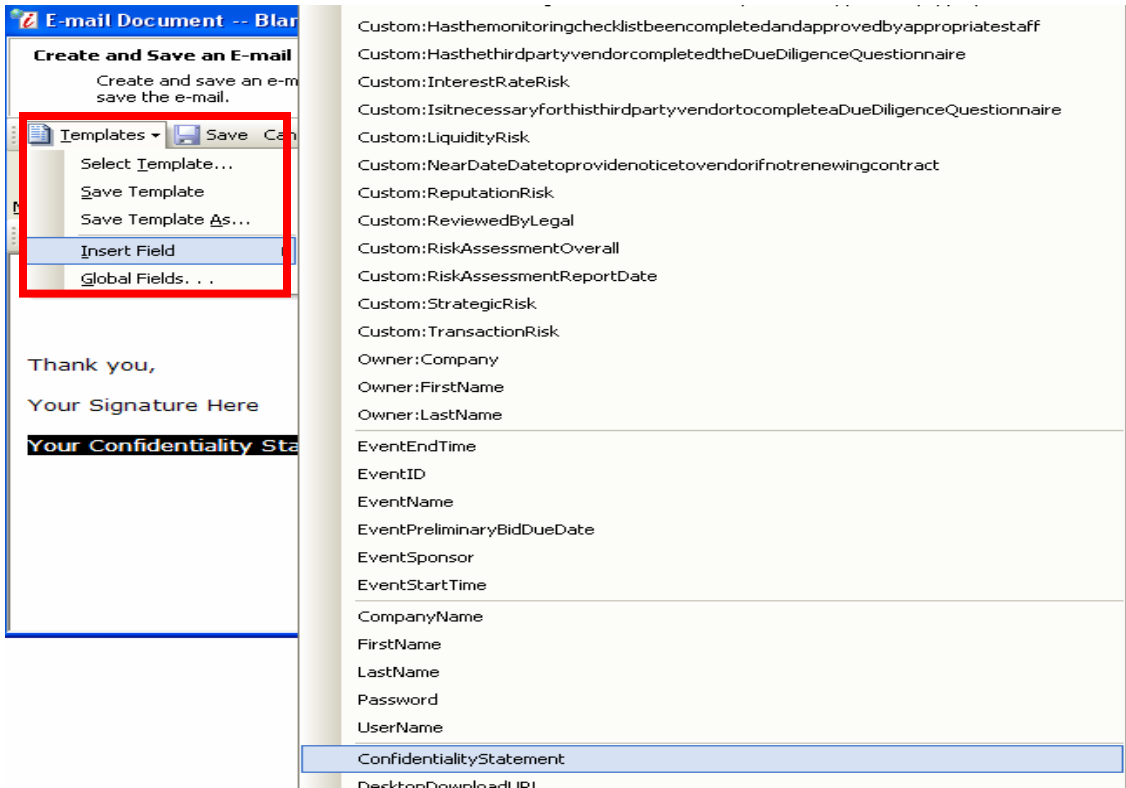
You will need to create a **Field Name** or title for your Global Field to identify the text for future use, and a **Field Value** which is the text of your Global Field.

Note: The field name must only contain letters and numbers, so do not include any spaces or symbols within the field name. Once this is completed, click **Finish**.

Access for this feature is only being provided for Private Fields, so only you will have access to the Global Fields that you've created. You can add as many Global Fields as needed. When you've completed adding your Global Fields, simply click **Finish** and you will return to the **Email Document** screen.

Contract Management Steps

Inserting Global Fields



Once you return to the Email Document Screen, you can insert the global field(s) that you’ve created into the email as described on the following page:

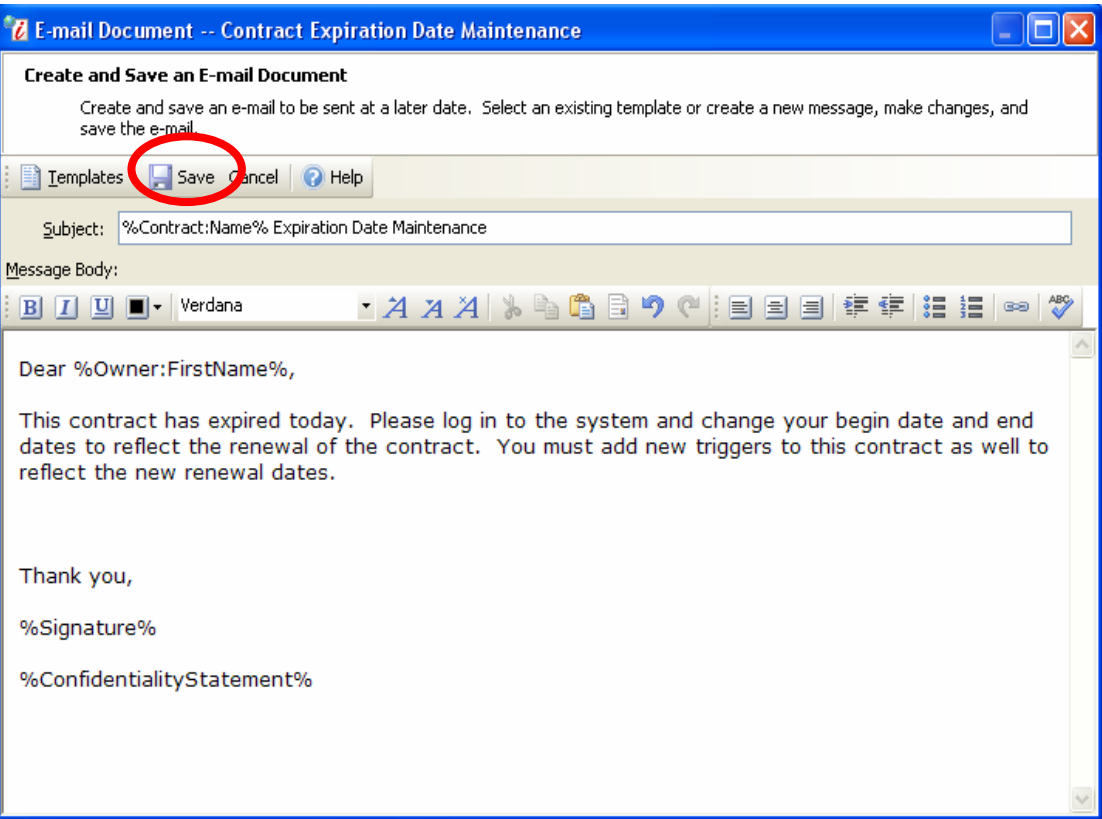
- Place your cursor within the email document (or Subject line) where you’d like the field to appear
- Click on **Templates**
- Click on **Insert Field**
- Click on your **Global Field**, which can be located by scrolling to the bottom of the list, and you will be returned to the Email Document screen

When the field is added to your email document, it will appear in this format → %ConfidentialityStatement%.

In addition, numerous Custom Fields, which are pulled from the fields of your contract record, can be inserted into your emails. Simply repeat the steps above, and insert as many custom fields as needed.

Contract Management Steps

Saving Email Document to Trigger



If your custom field(s) will be within a sentence, please be certain that a space is inserted both before and after the field for proper formatting in the email.

It is highly recommended to preview your email documents and customized templates. Please review the following pages entitled “Previewing Email Templates” for instructions on previewing your emails for accuracy with custom field usage.

Once the email is completed, click on **Save** to save this email to the trigger and the program will then return you to the trigger implementation process.

Contract Management Steps

Adding Recipients to Triggers

Contract Trigger - Page 2 of 3

E-mail Trigger
Define the e-mail contents, then select the recipients (contract owner or all contract attendees). You can also add individual recipients.

Send an E-mail
E-mail Document:

Select Attendees
☒ The Contract Owner ☐ All Internal Attendees
☐ All Attendees in the Contract ☐ All External Attendees

+ New Attendee(s) ... **Delete Attendee(s)**

Name	E-mail
<input type="checkbox"/> Hammock, Lisa	
<input type="checkbox"/> Project Administrator	
<input checked="" type="checkbox"/> Vary, Lori	

E-mail Address
Enter the e-mail address of the attendee:

OK **Cancel**

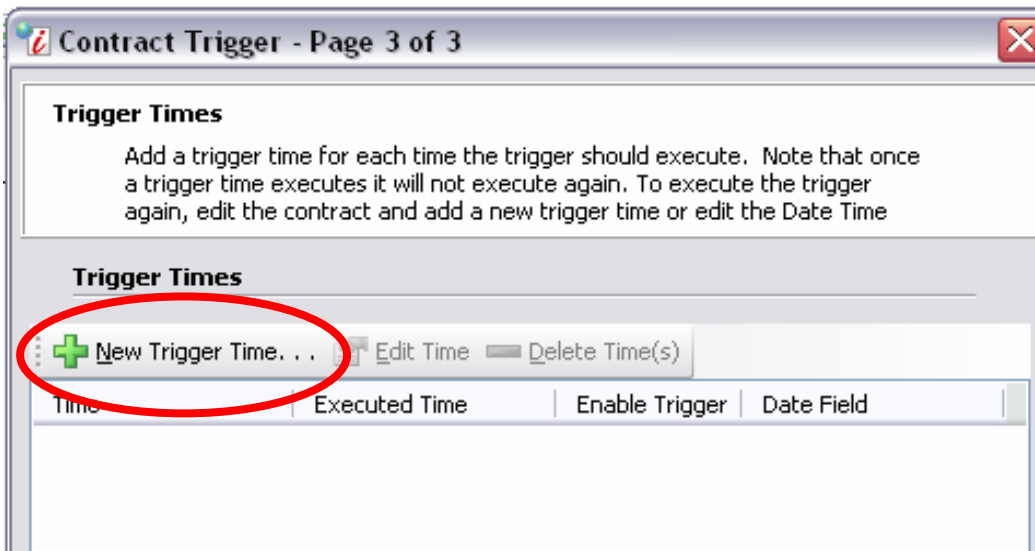
☒ Enable Trigger **< Back** **Next >** **Cancel** **Help**

This step will allow you to select the people that need to receive the email trigger. The contract owner will automatically receive a copy of the email, and you will need to decide who else would be appropriate. You can add as many attendees as you wish and they do not need to have a user license for the Ventelligence system in order to receive the email.

To add attendees that are not assigned to this contract record, click on New Attendee(s), input the email address information as requested and click **OK**. Once you have completed this step, click **Next**.

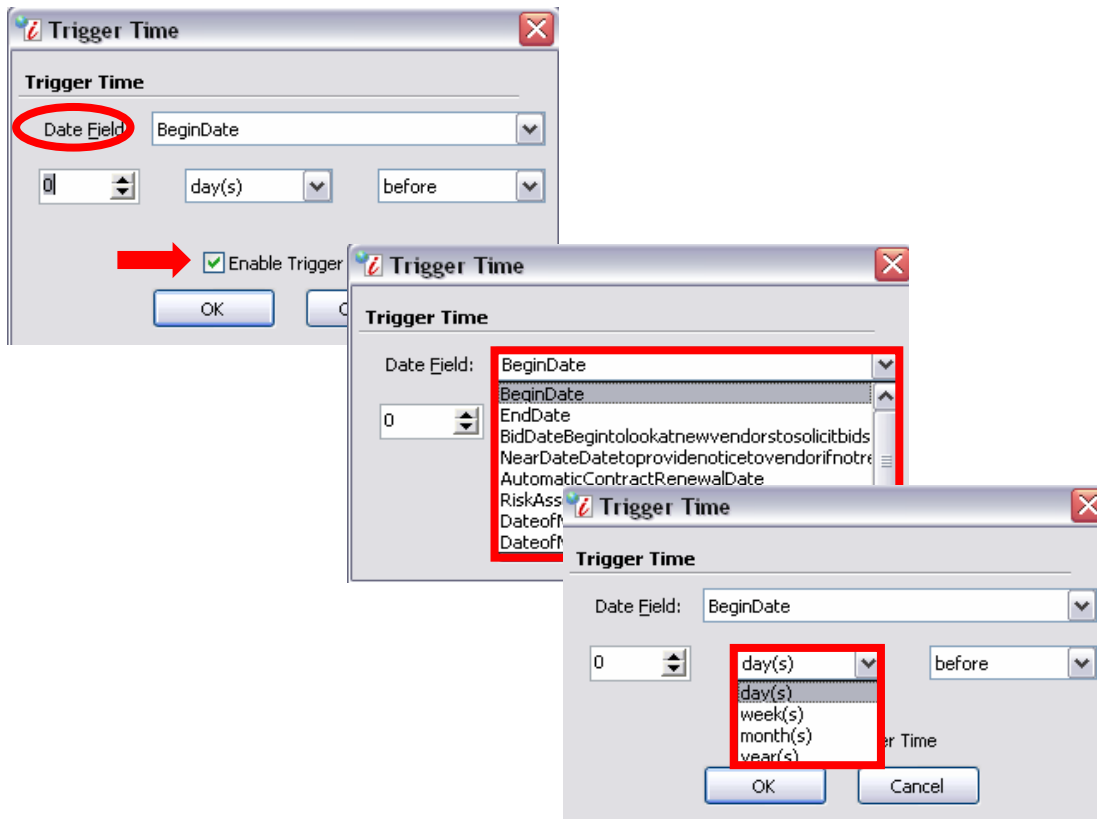
Contract Management Steps

Create a Trigger Time



Click on New Trigger Time to create a trigger based on any of the dates that have been entered into the contract management system.

Contract Management Steps



To create or edit a Trigger time:

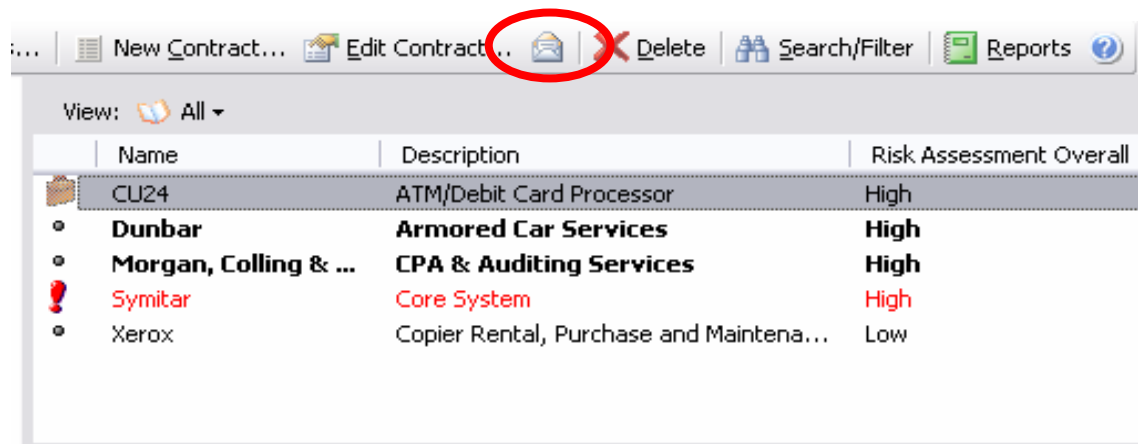
- Select the desired date from the drop-down box in the **Date Field** as indicated by the **red circle and red square** in the top 2 pictures
- You will need to determine the appropriate time frame you wish to receive the email trigger as indicated by the **red square** in the bottom picture
- Select the remaining fields to designate the timing of the Trigger
- Make sure the box for **Enable Trigger Time** (as indicated by the arrow above) is selected and click on **OK**

Ventelligence will automatically calculate the number of years, months, weeks or days from the selected date and activate the trigger email on the correct date.

Once this is completed, click **Finish** to complete the Trigger set-up process.

Creating & Previewing Email Templates

Previewing an Email Template

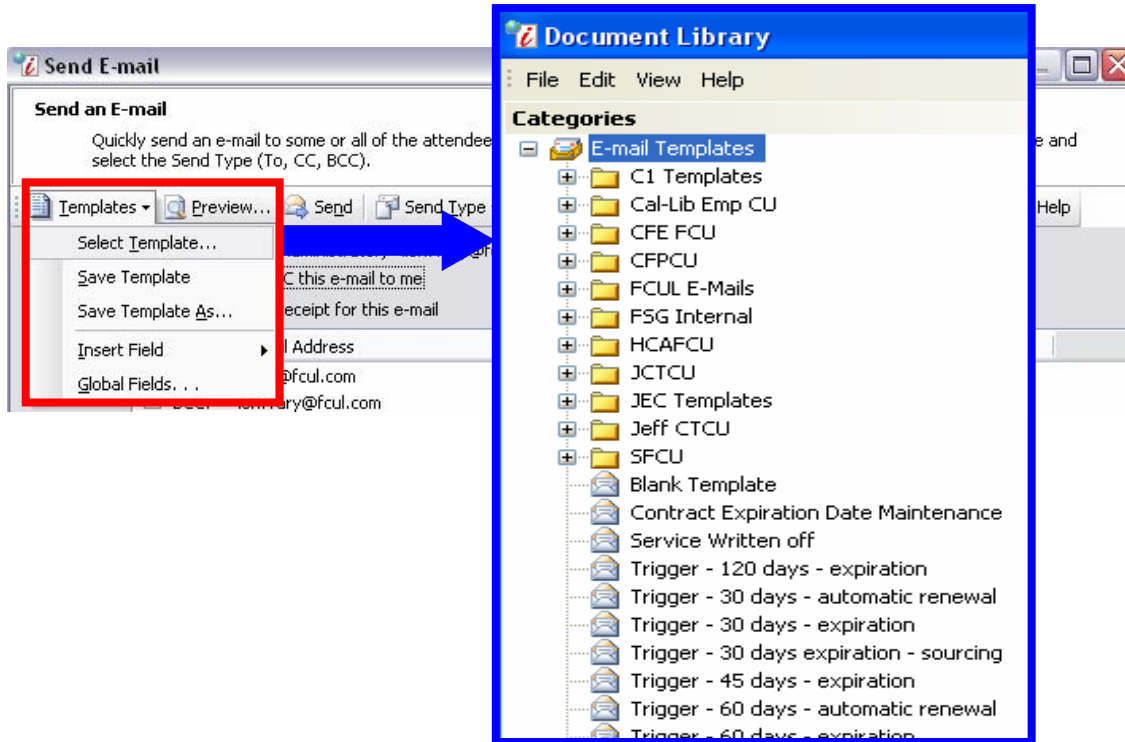


*It is highly recommended that you preview your email templates for accuracy, especially when you’re utilizing custom fields, prior to attaching them to multiple contract records. To preview an existing email template, click on the desired contract record and click on the envelope in the toolbar.

Note: This function can also be utilized as an additional method in creating new email templates.

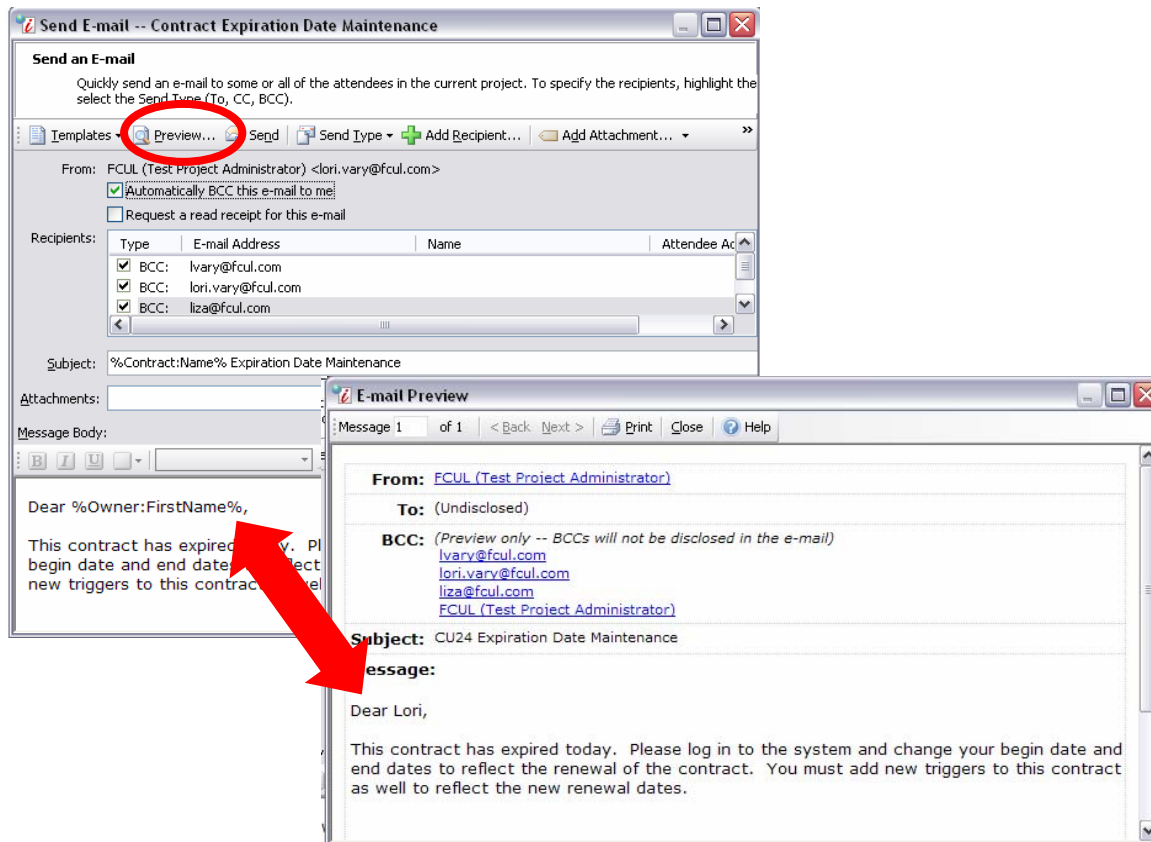
Creating & Previewing Email Templates.....

Email Templates



Click on Templates and Select Template and a list of templates will appear. Simply select which template you wish to preview and click Finish.

Creating & Previewing Email Templates.....



The text within the template will appear within the body of your email document. Click on **Preview** and you will see exactly how the text will appear when the email is delivered.

Caution: when using **Insert Field**, beware of the following possible errors:

- If text is not typed into the actual field within the contract record itself, a blank space will appear in the email when the trigger is sent
- When utilizing existing email templates, be certain that all Custom Fields within the template are identical to the Custom Fields within your contract type. Otherwise, %XXXFieldName% will appear in the email when your email is sent.

Risk Assessment for New Contracts

1.1

The purpose of this document is to provide a tool to assist credit union staff in the risk assessment process for third party vendor relationships. This process is designed to determine the extent of risk assessment and the level of due diligence required to move forward with new third party vendors. Please provide the following:

Vendor Name

Describe the product or service to be provided by the third party vendor relationship.

Date of Review

Reviewer's Name

2.1

Was more than one third party vendor considered prior to entering into this relationship? If no, provide comments.

2.2

Document that the third party vendor relationship compliments the credit union's overall mission and philosophy.

2.3

Is the credit union staff qualified to manage and monitor the third party vendor relationship?

2.4

Is the activity mission critical?

2.5

Has a cost/benefit analysis been examined? If no, provide comments.

2.6

How will the credit union manage member expectations?

2.7

What is the exit strategy?

2.8

Document the evaluation of costs of monitoring and providing support to the third party vendor program (i.e., staffing, capital expenditures, communications, technological investments, etc.)

2.9

Have measurable and achievable goals been clearly defined? If no, provide comments.

2.10

Have levels of authority and responsibility been clearly defined? If no, provide comments.

2.11

Do the financial projections align with the credit union's overall strategic plan and ALM framework? If no, provide comments.

2.12

Define the nature and scope of the credit union's needs that the third party vendor will be providing.

Credit Risk can be incurred by credit unions in third party vendor relationships when they prepay compensation for a product or service. Examples may include:

- * Prepaid maintenance or service contracts.
- * Lump sum retainers for consultants or attorneys
- * Milestone funding of construction projects.

Credit Risk is also incurred when credit unions extend funds to a third party vendor for outsourcing purposes.

These services may include:

- * Pension Programs
- * Armored Car
- * Check Processing

If Credit Risk exists, the credit union defines this risk as:

- * High Annual expenditure or transaction amount over \$10,000
- * Medium Annual expenditure or transaction amount between \$5,000 and \$9,999
- * Low Annual expenditure or transaction amount below \$5,000

Based on your understanding of this relationship and knowledge of the product or service, rate the level of credit risk.

3.2

Interest Rate Risk is the risk to credit union earnings or capital arising from movements in interest rates. With regard to this third party vendor relationship, you must evaluate whether this relationship has any bearing on your credit union's Interest Rate Risk.

Risk Assessment for New Contracts

	<p>Based on your understanding of this relationship and knowledge of the product or service, rate the level of interest rate risk to the credit union.</p>
3.3	<p>Liquidity Risk is the risk to earnings or capital arising from a credit union's inability to meet its obligations when they come due, without incurring unacceptable losses.</p> <p>Liquidity Risk includes the inability to manage unplanned decreases or changes in funding sources. Liquidity risk also arises from the credit union's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.</p> <p>Liquidity Risk, like credit risk, is a recognizable risk associated with banking. The level of liquidity risk can be defined when a credit union determines whether they have enough cash to begin a major project. The level of risk may be defined by credit union policy.</p> <p>Based on your understanding of this relationship and knowledge of the product or service, rate the level of liquidity risk.</p>
3.4	<p>Transaction Risk arises from problems with customer service or product delivery. A third party vendor's failure to perform as expected by the credit union or by members because of inadequate capacity, technological failure, human error, inadequate business resumption or fraud exposes the credit union to transaction risk.</p> <p>Based on your understanding of this relationship and knowledge of the product or service, rate the level of transaction risk.</p> <p>Note that "mission critical" relates to whether or not a disruption of service prevents the credit union from operating.</p>
3.5	<p>Compliance Risk exists when products, services, or systems associated with third party vendor relationships have the potential to place the credit union in violation of laws, rules, or regulations, or in non-conformance with internal policies and procedures or ethical standards.</p> <p>Compliance risk increases when third party vendors have access to consumer, member, or employee records, when a conflict of interest between the credit union and the third party vendor potentially exists, or when the credit union relies on the third party vendor to implement appropriate information security policies to protect credit union data. If compliance risk exists this should be considered a high level contract.</p> <p>Does this third party vendor have the potential to place the credit union in violation of laws, rules, or regulations or in non-conformance with internal policies and procedures or ethical standards? Based on your understanding of this relationship and knowledge of the product or service, rate the level of compliance risk. If member data is in the hands of a third party vendor, the risk level is considered higher than a third party vendor that does not access member data.</p>
3.6	<p>Strategic Risk arises when credit unions use third party vendors to conduct business functions, support important information systems or other technology, or offer products or services on behalf of the credit union. If these business functions or services would be under-performed or temporarily or permanently ceased and as a result the credit union would be negatively impacted, a strategic risk is involved in this relationship.</p> <p>Based on your understanding of this relationship and knowledge of the product or service, rate the level of strategic risk.</p>
3.7	<p>Reputation Risk arises from negative public opinion about the credit union. Reputation risk exists in third party vendor relationships if the relationship has the potential to result in credit union members receiving poor member service, disruption of service, inappropriate sales recommendations, or places the credit union in violation of consumer law.</p> <p>Reputation risk increases when the third party vendor's employees interact directly with credit union members. Also, publicity about adverse events surrounding the third party vendor may increase the credit union's reputation risk. Reputation Risk increases when a third party vendor's employees interact directly with your credit union members.</p> <p>Based on your understanding of this relationship and knowledge of the product or service, rate the level of reputation risk.</p>
3.8	<p>Based on your understanding of this relationship, knowledge of the product and service, and the risk levels previously rated, rate the overall risk of this relationship.</p>

Risk Assessment for Existing Contracts

1.1

The purpose of this document is to provide a tool to assist credit union staff in the risk assessment process for third party vendor relationships. This process is designed to determine the extent of risk assessment and the level of due diligence required to move forward with existing third party vendors. Please provide the following:

Vendor Name

Describe the product or service to be provided by the third party vendor relationship.

Date of Review

Reviewer Name

Credit Risk can be incurred by credit unions in third party vendor relationships when they prepay compensation for a product or service. Examples may include:

- * Prepaid maintenance or service contracts
- * Lump sum retainers for consultants or attorneys
- * Milestone funding of construction projects

Credit Risk is also incurred when credit unions extend funds to a third party vendor for outsourcing purposes. These services may include:

- 2.1
- * Pension Programs
 - * Armored Car
 - * Check Processing

If Credit Risk exists, the credit union defines this risk as:

- * High Annual expenditure or transaction amount over \$10,000
- * Medium Annual expenditure or transaction amount between \$5,000 and \$9,999
- * Low Annual expenditure or transaction amount below \$5,000

Based on your understanding of this relationship and knowledge of the product or service, rate the level of credit risk.

2.2

Interest Rate Risk is the risk to credit union earnings or capital arising from movements in interest rates. With regard to this third party vendor relationship, you must evaluate whether this relationship has any bearing on your credit union's Interest Rate Risk.

Based on your understanding of this relationship and knowledge of the product or service, rate the level of Interest Rate Risk to the credit union.

Liquidity Risk is the risk to earnings or capital arising from a credit union's inability to meet its obligations when they come due, without incurring unacceptable losses.

Liquidity Risk includes the inability to manage unplanned decreases or changes in funding sources. Liquidity Risk also arises from the credit union's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

- 2.3
- Liquidity Risk, like Credit Risk, is a recognizable risk associated with banking. The level of Liquidity Risk can be defined when a credit union determines whether they have enough cash to begin a major project. The level of risk may be defined by credit union policy.

Based on your understanding of this relationship and knowledge of the product or service, rate the level of Liquidity Risk.

2.4

Transaction Risk arises from problems with customer service or product delivery. A third party vendor's failure to perform as expected by the credit union or by members because of inadequate capacity, technological failure, human error, inadequate business resumption or fraud exposes the credit union to Transaction Risk.

Based on your understanding of this relationship and knowledge of the product or service, rate the level of Transaction Risk. Note that "mission critical" relates to whether or not a disruption of service prevents the credit union from operating.

Risk Assessment for Existing Contracts

Compliance Risk exists when products, services, or systems associated with third party vendor relationships have the potential to place the credit union in violation of laws, rules, or regulations, or in non-conformance with internal policies and procedures or ethical standards.

2.5 Compliance Risk increases when third party vendors have access to consumer, member, or employee records, when a conflict of interest between the credit union and the third party vendor potentially exists, or when the credit union relies on the third party vendor to implement appropriate information security policies to protect credit union data. If Compliance Risk exists this should be considered a high level contract.

Does this third party vendor have the potential to place the credit union in violation of laws, rules, or regulations or in non-conformance with internal policies and procedures or ethical standards? Based on your understanding of this relationship and knowledge of the product or service, rate the level of Compliance Risk. If member data is in the hands of a third party vendor, the risk level is considered higher than a third party vendor that does not access member data.

2.6 Strategic Risk arises when credit unions use third party vendors to conduct business functions, support important information systems or other technology, or offer products or services on behalf of the credit union. If these business functions or services would be under-performed or temporarily or permanently ceased and as a result the credit union would be negatively impacted, a strategic risk is involved in this relationship.

Based on your understanding of this relationship and knowledge of the product or service, rate the level of Strategic Risk.

2.7 Reputation Risk arises from negative public opinion about the credit union. Reputation Risk exists in third party vendor relationships if the relationship has the potential to result in credit union members receiving poor member service, disruption of service, inappropriate sales recommendations, or places the credit union in violation of consumer law.

Reputation Risk increases when the third party vendor's employees interact directly with credit union members. Also, publicity about adverse events surrounding the third party vendor may increase the credit union's Reputation Risk.

Based on your understanding of this relationship and knowledge of the product or service, rate the level of reputation risk.

2.8 Based on your understanding of this relationship, knowledge of the product or service, and the risk levels previously rated, rate the overall risk of this relationship.

Due Diligence Checklist.....

1.1	Background Information: Complete the following: Third Party Vendor Name Product or Service Provided Date of Review Reviewer's Name
1.2	Did the credit union consider the third party vendor's experience providing the proposed service or program?
1.3	Did the credit union request referrals from the prospective third party vendor clients to determine their satisfaction and experience with the proposed arrangement?
1.4	Did the credit union review and consider any lawsuits and/or legal proceedings involving the third party vendor or its principles?
1.5	Did the credit union ensure the third party vendor or their agents have any required licenses, certifications, patents or trademarks, and that they remain current for the duration of the arrangement?
1.6	Did the credit union consider other sources of information such as the Better Business Bureau, Federal Trade Commission, credit reporting agencies, state consumer affairs offices, or state attorney general offices?
1.7	Did the credit union obtain and review regulatory examination reports from the vendor?
1.8	Did the credit union verify and receive confirmation that the third party vendor has appropriate insurance coverage?
1.9	Is the third party vendor using subcontractors to supplement the services provided to the credit union? If yes, list them below.
1.10	Did the credit union determine if the third party vendor is foreign or domestic?
2.1	Does the credit union understand the third party vendor's business model?
2.2	Does the credit union understand the third party vendor's sources of income and expense and have they considered any conflicts of interest that may exist between the third party vendor and the credit union?
3.1	Is the credit union tracking and identifying the cash flows of the third party vendor accurately?
3.2	Is there an understanding of how funds transfer between all parties?
3.3	Can you accurately describe how cash flows from the member, the third party vendor, and the credit union?
4.1	Does the credit union's analysis of the financial statements of the third party vendor and its closely related affiliates provide reasonable assurance that the third party vendor has the ability to fulfill the contractual commitments proposed?
4.2	Did the credit union use other available sources in evaluating the overall financial health of the prospective or existing third party vendor (i.e., Nationally Recognized Statistical Rating Organizations, SAS 70 (Type II) reports, etc.)?
4.3	If the credit union obtained a SAS70 report, have you reviewed and implemented the Client Considerations (controls) contained in the report?
4.4	Based on the review of relevant documents, is the credit union comfortable with the third party vendor's outstanding commitments described?
4.5	Based on the review of relevant documents, is the credit union comfortable with the third party vendor's capital strength?
4.6	Based on the review of relevant documents, is the credit union comfortable with the third party vendor's liquidity?

Due Diligence Checklist.....

- 4.7 Based on the review of relevant documents, is the credit union comfortable with the third party vendor's operating results?
- 4.8 Based on the review of relevant documents, is the credit union comfortable with the third party vendor's off balance sheet liabilities?
- 4.9 Based on opinion, do you feel this third party vendor can financially perform?
- 5.1 Does the credit union have an adequate accounting infrastructure to appropriately track, identify, and classify transactions in accordance with Generally Accepted Accounting Principles (GAAP)?
- 6.1 Are reports to be prepared on a monthly basis adequately reflecting the amount of activity with the third party vendor and providing sufficient information to properly monitor the activities?
- 6.2 Are informative summary reports to be provided to senior management or the board of directors?
- 6.3 Has the credit union assigned appropriate staff to oversee the third party vendor relationship to monitor performance and compliance with contracts?
- 6.4 If the third party vendor originates member transactions, does the credit union verify the transactions with the member?
- 6.5 If the third party vendor services member accounts, does the credit union receive periodic reports on the activity?
- 6.6 Does the credit union control account verifications?
- 6.7 Does the credit union verify the third party vendor's reports are accurate?
- 6.8 If the third party provides technology services, did the credit union obtain a high level schematic of the third party vendor's system?
- 6.9 Did the credit union review the service providers business resumption contingency plans to ensure that any services considered mission critical for the credit union can be restored in an acceptable time frame?
- 6.10 If the third party vendor services loans, does the credit union verify that member payments are remitted to the credit union in compliance with the contract?
- 6.11 Does the credit union have the infrastructure (staffing, equipment, technology, etc.) in place to sufficiently monitor the third party vendor arrangement?
- 6.12 Has the credit union established appropriate internal controls to ensure internal staff is following policy guidance for third party vendor relationships?
- 7.1 How does the credit union communicate with the third party vendor?
- 7.2 Is there a plan in place to test communication security?
- 7.3 Does the communication method ensure member data is protected?
- Does the communication method utilize the following to transfer data?
- 7.4
 - PGP
 - Encrypted Zip files
 - VPN
 - Other
- 7.5 Did the credit union obtain adequate information detailing the security measures in place to protect the member information?

Due Diligence Questionnaire for Third Party Vendors

1.1

Background Information Provide the following information:

Company Name

Company Address

Phone

Fax

Web Address

Primary Contact

Email Address

Contact Number

1.2

Describe Primary Product or Service.

1.3

Describe your experience in providing services in the credit union marketplace.

1.4

Provide three current client references that you have been doing business with, for one (1) year or longer.

Reference Company Name

Nature of Relationship

Contact Person

Contact Phone Number

Contact E-Email Address

1.5

Have there been any lawsuits or declarations of any legal action against your Company or principals for breach of contract within the last three years, pending or settled?

1.6

Are there currently any other lawsuits pending against your Company or its principals? If so, please describe the nature of the lawsuit.

1.7

Please list all current licenses, certifications, patents and trademarks held by your organization and your agents and the corresponding expiration dates of each.

2.1

Give a description of your company history.

2.2

Is your company publicly or privately held?

2.3

If your company is publicly held, please provide the stock symbol that your company's stock is traded under.

2.4

How many years has your company been in business?

2.5

Please provide a listing of relevant contracts with third party vendors, consultants, resellers, independent contractors, etc.

2.6

Please provide a description of your business model, including (but not limited to) your business and marketing plans.

2.7

Please provide the following:

Annual Report for Previous Year

Audited Financials for Previous 2 Years

Copy of Business Plan

SAS 70 or equivalent

Business Continuity or Disaster Recovery Plan

3.1

Describe your experience and ability to provide the necessary services and supporting technology for current and anticipated needs.

Due Diligence Questionnaire for Third Party Vendors.....

- 3.2 Describe your use of third party vendors or partners that would be used to support the outsourced operations for a credit union. List those providers as applicable. This may include IT system partners etc.
- 3.3 Will credit unions require additional systems, data conversions, and additional work to utilize your company's services?
- 3.4 Describe your ability to respond to service disruptions.
- 3.5 List key personnel that would be assigned to support the credit unions. Describe their roles and experience with your organization.
- 3.6 What are the credentials of the systems administration staff?
- 3.7 Has the systems administration staff undergone complete background and criminal checks?
- 3.8 How long are the access logs retained? Who reviews the logs? How many characters must a password have? Are alphanumeric passwords required? How frequently must it be changed?
- 3.9 Are hosting staff onsite or on-call 24/7?
- 4.1 Where is (are) your data center(s) located?
- 4.2 Describe the physical security, disaster recovery, back up/redundancy, and prevention features of your data center.
- 4.3 Who (including data center staff, other employees and vendors) has access to Network security?
- 4.4 Are industry-standard firewalls deployed? Where are they deployed? How does your company keep the software for the firewalls current?
- 4.5 Is administrative access to firewalls and other perimeter devices allowed only through secure methods or direct serial port access?
- 4.6 What protocols and ports are allowed to traverse the network and firewall?
- 4.7 Does your company use intrusion detection systems (IDS)? How long are IDS logs kept?
- 4.8 Does your company use an intrusion prevention system (IPS)?
- 4.9 Are formal incident-response procedures in place? Are they tested regularly?
- 4.10 Does your company engage third party vendor security service providers to perform ongoing vulnerability assessments?
- 4.11 Does your company have a workflow diagram of the process for CU system failure?
- 5.1 Are ongoing vulnerability assessments performed against the systems?
- 5.2 Are file permissions set on a need-to-access basis only?
- 5.3 How operating systems are kept up-to-date?
How does your company keep abreast of software vulnerabilities?
What is the procedure for installing software updates?
- 5.4 Are audit logs implemented on all systems that store or process critical information? How often are these logs reviewed?

Due Diligence Questionnaire for Third Party Vendors.....

5.5	What change management procedures are in place?
5.6	Describe the user account and password policy.
5.7	Do sessions automatically time out after an idle period?
5.8	Are user accounts for contract personnel created with expiration dates? How are user accounts closed after termination?
5.9	How is data integrity ensured? What checks are carried out on people who might have access to the data? Discuss all security features.
5.10	Are all development software licenses current? Please provide a list of your development software licenses. Does your company utilize any third party vendor software development companies? If so, please explain.
5.11	When was the software first released? When was the software was last updated? How often are software updates/upgrades planned?
5.12	Please describe the levels of support (i.e., technical, customer, etc.) your company provides to participating credit unions. What methods would a credit union use to contact your company for support? How many staff positions are available to assist the credit union?

Legal Review Checklist

1.1	The purpose of this document is to provide a tool to assist credit union staff with the due diligence process for third party vendor relationships pertaining to legal issues. It is recommended that you confirm that the credit union's third party vendor contract addresses the areas below. Please provide the following:
	Vendor Name
	Product or Service Provided
	Date of Review
	Reviewer Name
1.2	Scope of the arrangement, services offered, and activities authorized.
1.3	What is the state of jurisdiction?
1.4	Responsibilities of all parties (including subcontractor oversight).
1.5	Service level agreements addressing performance standards and measures.
1.6	Performance reports and frequency of reporting.
1.7	Penalties for lack of performance.
1.8	Ownership, control, maintenance and access to financial and operating records.
1.9	Ownership of servicing rights.
1.10	Audit rights and requirements (including responsibility for payment).
1.11	Data security and member confidentiality (including testing and audit).
1.12	Business resumption or contingency planning.
1.13	Evidence of current insurance coverage: Insurance coverage, including fidelity and errors and omission coverage, should be carried by third party vendors providing services to a credit union. It should also cover subcontractors, if applicable. Coverage amounts should be sufficient to mitigate risk.
1.14	Member complaints and member service.
1.15	Compliance with regulatory requirements [i.e., Gramm-Leach-Bliley Act (GLBA), Privacy, BSA, etc.].
1.16	Dispute resolution.
1.17	Default, termination and escape clauses: Be aware of each third party vendor's contractual obligations and how the credit union may terminate the contract if the performance expectations or contract obligations are not met. Credit unions should exercise their right to negotiate contract terms with third party vendors for mutually beneficial contracts. Credit union officials should ensure that any contract terms agreed to would not adversely affect the credit union's safety and soundness, regardless of contract performance.
1.18	Did the credit union obtain an independent legal opinion about any services provided by the third party vendor under the arrangement?
1.19	Is the third party vendor compliant with state and federal laws and regulations, and contractually bound to comply with applicable laws? (i.e., Regulation B, Regulation Z, HMDA, etc.)?

Monitoring Checklist.....

1.1	Background Information Complete the following: Third Party Vendor Name Product or Services Provided Date of Review Reviewer Name
1.2	Identify the dates to monitor the following:
1.2.1	Updated Annual Report for Previous Year
1.2.2	Audited Financials for Previous Year
1.2.3	Updated SAS 70 or equivalent, if available
1.2.4	Updated Insurance Documents
2.1	Identify dates to monitor if funds are transferring properly.
3.1	Designate dates to review reports monitoring third party vendor activities and information.
3.2	Identify dates to prepare reports to provide to senior management or the Board of Directors.
3.3	Identify dates to monitor member transactions originated by the third party vendor.
3.4	Identify dates required to monitor third party vendor reports (Examiner guidelines recommend monthly).
3.5	Define dates required to monitor account verifications.
3.6	Designate dates to verify third party vendor's reports for accuracy.
3.7	If the third party vendor services loans, set the dates to verify that member payments are being remitted (can be set intermittently if appropriate).
4.1	List any other activities and frequency of monitoring required for each.

Additional Information

Who to Contact for Help

- Lori Vary, Director of Financial Programs
941.747.9646
lori.vary@fcu.com
- Liz Aperauch, Performance Consultant
800.342.1266, ext. 1142
liza@fcu.com
- Lisa Hammock, Performance Consultant
800.342.1266, ext. 1146
lisa.hammock@fcu.com

Helpful Links

- National Credit Union Association (NCUA): www.ncua.gov
- The Florida Credit Union League **Compliance InfoSight**: www.fcu.com, under FCUL then Regulatory Compliance (for LSCU affiliated credit unions only)
- Credit Union National Association (CUNA): www.cuna.org
- Ventelligence: www.ventelligence.com