

**GE CREDIT UNION
BUSINESS ACCOUNT DEPOSIT POLICY**

General Policy Statement:

This policy provides guidelines for business accounts opened and serviced by GE Credit Union.

SECTION 1: FIELD OF MEMBERSHIP

Field of Membership

The Credit Union may open a member business account for a person or organization (i.e., corporation, limited liability company, partnership, unincorporated association) eligible for membership in the Credit Union.

If the Credit Union has opted to include “organizations of such persons” eligible for membership in the Credit Union, the organization must be composed exclusively of persons who are within the Credit Union’s Field of Membership (FOM).

SECTION 2: INELIGIBLE BUSINESSES

The Credit Union will restrict the following business types from opening accounts at the Credit Union: Money Service Businesses (MSB):

- A. Any business engaged in illegal activity
- B. Companion, escort and dating services
- C. Massage parlors
- D. Sexual encounter clubs and organizations
- E. Businesses related to the manufacturing, distribution, or dispensing of marijuana
- F. Businesses involved in drug paraphernalia sales
- G. Businesses focused on selling pornographic material

SECTION 3: TYPES OF BUSINESS ACCOUNTS

The Credit Union may open the following types of accounts for business members:

- 1. Share/Savings Account
- 2. Share Draft/Checking Account
- 3. Money Market Account
- 4. Term Share/Share Certificate Account

SECTION 4: BUSINESS ACCOUNT DOCUMENTATION

The Credit Union will develop account opening procedures to enable account representatives to determine the type of business opening a business account, and whether the business is eligible to be a Credit Union member.

Membership Eligibility

Sole proprietorships, partnerships, corporations, limited liability companies, or unincorporated associations located within the Credit Union's geographic Field of Membership or in a Select Employee Group (SEG) are eligible for Credit Union membership.

If the entity is a sole proprietorship, the owner/sole proprietor must be eligible for Credit Union membership. Authorized signers do not need to be eligible for Credit Union membership in order to be a signer on the account.

Member Information

The Credit Union will develop procedures to accurately record the full, legal business or organization name at account opening. For sole proprietor accounts, the owner/member is the sole proprietor.

Member Identification Program (MIP)

The Credit Union will establish procedures to ensure a MIP form is completed for the business and all account signers. Additionally, the Credit Union will establish procedures to ensure an OFAC check is run on the business and all account signers.

Account Verification

The Credit Union will establish procedures to run an account verification check on the business, the principals, and/or authorized signers using Chex Systems.

Beneficial Owners

The Credit Union will establish procedures to identify the beneficial owners of a business (i.e., partnership, corporation, or Limited Liability Company). Beneficial owners of a business are defined as:

- A. Each individual who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests in the business;
- B. A single individual with significant responsibility to control, manage, or direct a business, including:
 - a) An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer.);
 - b) Any other individual who regularly performs similar function; or,
- C. If a trust owns directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests in the business, the beneficial owners are the trustee(s).
- D. Sole proprietorships and unincorporated associations and organizations are exempt.

Signatures

The Credit Union will develop procedures to ensure that whenever it requires the signature(s) of the business owner, one or more of the authorized persons identified on the account authorization card (or similar authorization documents) signs the document. For corporations, limited liability companies, partnerships, and

unincorporated associations/organizations, the person signing should record the title of their position with the business or organization (e.g., “John Doe, President” or “Mary Smith, Manager”)

Account Authorization

The Credit Union will develop procedures to ensure that each person who is authorized to sign on the account prints his or her name and title, and signs as indicated on a resolution of authority, an account authorization card, or other account opening authorization document. The resolution of authority or account authorization card is used in conjunction with an account card. The authorization card or document records the authorized signers on the account and provides a certificate of authority for persons conducting transactions for a business organization (partnership, corporation, LLC), association (club), or nonprofit organization. The credit union uses this authorization to confirm whom the business or organization has authorized to act on its behalf. The appropriate form must be completed before a business or organization opens a Credit Union account. A new resolution or authorization must be completed any time there is a change in the authorized signers.

- A. It is important for all Credit Union employees to remember that when an account is established for a non-person entity such as a corporation, limited liability company, or partnership, the persons who are authorized signers on the account are not owners of the account funds. They are merely agents of the business who are authorized to act on behalf of the business.
- B. Each person who is authorized to sign on the account should provide his/her name and title. If the account is owned by a corporation or unincorporated organization, one of the authorized signers must be the president or secretary of the corporation or organization. For limited liability companies, the person signing will either be a member or manager. For partnerships, the person signing will be a partner. For limited liability partnerships or limited partnerships, the person signing will be a managing partner or general partner, respectively.

Tax Identification Number

The business’ or organization’s tax identification number (TIN) will be recorded. For corporations, partnerships, and unincorporated organizations, the TIN will be an Employer Identification Number (EIN). For limited liability companies, the TIN will be an EIN, unless the LLC is a single member LLC and has elected to report under the member’s social security number (SSN). For sole proprietorships, unless the sole proprietor has a separate TIN for business purposes, the sole proprietor’s SSN will be used.

Note: Partnership, corporations, limited liability companies, and unincorporated organizations are exempt from backup withholding. Sole proprietorships are subject to backup withholding. **Data**

Core Processing System

The Credit Union will establish procedures to ensure that the account owner (i.e., partnership, Limited Liability Company or corporation) is properly identified on the Symitar system. The Credit Union will ensure that it can distinguish between joint owners and authorized signers on a business account, and will also ensure that business accounts can be distinguished from consumer accounts to ensure proper reporting of business shares for the NCUA call report.

SECTION 5: REVIEW OF SUPPORTING DOCUMENTATION

- A. The Credit Union will request and examine a business, organization, or other entity resolutions or minutes approving the account opening with the Credit Union. The Credit Union will also verify with the Secretary of State or other appropriate state website, in order to determine if the entity is active and in good standing in the state of its organization.

- B. The Credit Union will request and examine the business or organization's official formation documents to confirm the establishment of the business or organization. The following are the supporting documents to request for review with the applicable organization:
- a) **Sole Proprietorship.** This designation is the simplest form of business for an individual or married couple. Sole proprietorships are generally not registered with the Secretary of State. If the owner's full, legal name is not included in the business name or they are operating under an assumed business or trade name, request a copy of the Assumed Business Name/Trade Name registration.
 - b) **Limited Liability Company (LLC).** An LLC is an entity designed to combine the tax treatment of a partnership with the limited personal liability of a corporation. Request the Articles of Organization and obtain the Secretary of State registration number. If the LLC is a member-managed LLC as stated in the Articles, the authorized signers will be the members. If the LLC is managed by a manager, the authorized signer will be the manager. Request a copy of the LLC's Operating Agreement and review the section naming the members or manager.
 - c) **For-Profit and Non-Profit Corporations.** A corporation is a legal entity separate and distinct from its owners. Request the Articles of Incorporation and obtain the Secretary of State registration number. If the Articles do not name the president or secretary of the corporation, request to review the corporation's bylaws.
 - d) **General Partnership/Limited Partnership (LP)/Limited Liability Partnership (LLP).** A partnership is made up of two or more individuals who have entered into an agreement. General partnerships are not registered with the Secretary of State and may or may not have a formal partnership agreement. Request a copy of the Partnership Agreement and review the section naming the general partners. LPs and LLPs must have a partnership agreement and register with the Secretary of State. Review the section of the Partnership Agreement naming the general or managing partners, respectively, and obtain the Secretary of State registration number.
 - e) **Association/Club.** An association/club is an organized group of people who share a common interest, activity, or purpose. Request a copy of the association's bylaws, if available. (Sometimes the association will be a local chapter of a national association and the organizational documents may be difficult to obtain, in which case request minutes of the local organization and a confirmation letter from the national organization.) Also request the association's minutes authorizing the signers.

SECTION 6: CONSUMER PROTECTION LAWS

The Credit Union will develop procedures to ensure that the Credit Union complies with Regulation CC (Check Holds), Regulation CC (Fund Availability), Regulation GG (Internet Gambling), the U.S. Patriot Act and the Bank Secrecy Act as they pertain to business accounts.

- A. **Funds Availability.** The Credit Union may hold funds from checks deposited to business accounts in accordance with its Funds Availability Policy and the Expedited Funds Availability Act (Regulation CC).
- B. **Unlawful Internet Gambling Due Diligence.** The Credit Union will follow the guidance of Section 6 of the Unlawful Internet Gambling Enforcement Act of 2006 (Regulation GG).

Regulation DD (Truth in Savings) and Regulation E (Electronic Funds Transfer) do not apply to business accounts. However, it is the policy of the Credit Union to provide a Business Fee Schedule that is easy to read and understand for all business account owners.

SECTION 7: MEMBER BUSINESS ACCOUNT SERVICES AND PRICING

Businesses may use certain Credit Union services (such as deposits of third party checks, night deposit, coin counting, etc.) more actively than consumer account users. The Credit Union will perform periodic reviews of the equipment and staff it uses to provide these services, establish fair and appropriate pricing, and implement any necessary changes. The Credit Union may also limit the types of businesses for which it will establish accounts (see Section 2) or establish special business account pricing structures for high risk accounts.

- A. **Account Services.** The Credit Union will offer the following account features for eligible business and organization accounts: *(The following list is for example purposes only and should be revised to match the Credit Union's product offerings.)*
 - a) Debit and/or Credit Cards
 - b) Remote Deposit Capture
 - c) Online Banking and/or Bill Pay
 - d) Account Analysis
 - e) Sweep/Cash Management Services
 - f) Positive Pay
- B. **Pricing.** The Credit Union may establish fees for each account and service offered for business accounts. The rates and fees will be disclosed on a Rate and Fee Schedule.
- C. **Payable-on-Death Accounts.** Business accounts will not be eligible for Payable-on-Death (POD) accounts.

SECTION 8: SHARE INSURANCE COVERAGE

Primary share insurance will be obtained from the National Credit Union Administration (NCUA) through the National Credit Union Share Insurance Fund (NCUSIF). Coverage is limited as follows:

- A. **Sole Proprietorship.** Deposits owned by a business that is a sole proprietorship are not insured under this category. Rather, they are insured as the single account deposits of the person who is the sole proprietor. Funds deposited in the sole proprietorship's name are added to any other single accounts of the owner, and the total is insured to a maximum of \$250,000.
- B. **Partnership, Corporation, Limited Liability Company or Association/Club.** Funds deposited by a partnership, corporation, LLC, or association are insured up to a maximum of \$250,000. Funds deposited by a partnership, corporation, LLC, or association are insured separately from the personal accounts of the partners, stockholders, or members. To qualify for this coverage, the business must be engaged in an independent activity, meaning that the business is operated primarily for some purpose other than to increase deposit insurance. Separate accounts owned by the same business, but designated for different purposes, are not separately insured. Instead, such accounts are added together and insured up to \$250,000.

SECTION 9: BUSINESS OVERDRAFTS

The Credit Union recognizes that overdrafts are an industry accepted method of assisting depositors; that overdrafts represent a credit loss risk to the Credit Union that must be monitored; a pattern of overdrafts can be an initial indicator that a kiting event is occurring. To that end, the Credit Union will develop procedures to manually approve the payment of any pending returned items when an established and preapproved Overdraft

Protection Program or personal or business line of credit is not available.

- A. **Approvals.** Overdrafts will be approved by a supervisor/manager with the level of authority necessary to approve a credit equal to the amount of the overdraft plus all other credit commitments to the business.
- B. **Overdrafts by Executive Officers and Board Members.** The Credit Union will not pay any overdrafts for an executive officer or board member of the Credit Union, any business owned or managed by an executive officer or board member of the Credit Union, or any business owned or managed by an immediate family member of an executive officer or board member of the Credit Union beyond what would be covered by an established and pre-approved Overdraft Privilege Program or a personal or business line of credit, nor will NSF and overdraft fees be waived in these situations.
- C. **Fees.** The Credit Union will establish overdraft fees to offset potential credit losses, cover administrative time, and to be punitive to the business to discourage future overdrafts.
- D. **Data Processing System.** The Credit Union reviews weekly reports to ensure capabilities are in place to detect activity that looks like potential kiting or money laundering.
- E. **Charge-Offs.** Overdrafts on business accounts will be charged-off and service fees reversed in compliance with the NCUA overdraft regulations and ODP Policy.