

Beach Municipal Federal Credit Union Kids Club Share Accounts

- I.** Kids Club Share Accounts are established and authorized by the Board of Directors as a regular share account for those members between 0 and 12 years of age and are a requirement for credit union membership unless the person is already a member and owns a regular share account.
- II.** A person must be within the field of membership to join the credit union and open a Kids Club Share Account. An account card is required to open this account.
- III.** The membership fee will be waived on Kids Club Share Accounts. Kids Club Share account will not be assessed a dormant account fee.
- IV.** Existing account holders qualifying for the Kids Club Share Account may open a new regular share account or convert their current account to a Kids Club Share Account as long as all Kids Club Share Account criteria are met.
- V.** Kids Club Share Accounts must be opened in the name of the minor with or without a parent or guardian of legal age as a joint owner of the account. If the minor is old enough to sign the documentation, the minor should sign. If the minor is not able to sign, a minor's parent or legal guardian has the right to sign for the minor (e.g., Mary Doe by John Doe, Father). The credit union shall not change the account status when the minor reaches the age of majority unless authorized in writing by all account owners.
- VI.** Accounts with joint account owners will be issued with or without survivorship.
- VII.** All owners will have equal access to the funds. The credit union shall make payments of funds directly to the minor without regard to his/her minority. Unless a parent or guardian is an account owner, the parent or guardian shall not have any account access rights other than in a custodial capacity. We have no duty to inquire of the use or purpose of funds of any transaction by the minor, parent or guardian or any account owner. In the event of a dispute, the credit union reserves the right to not honor any withdrawal and turn the matter over to the credit union's attorney for resolution.
- VIII.** Upon the thirteenth (13th) birthday of the primary account holder, the Kids Club Share Account terms will be voided, and the account will convert to the regular share account terms or the account may be converted into a Teen Club Share account.
- IX.** Joint owners will not be permitted to vote, obtain loans, or hold office, unless he/she is within the field of membership and is a qualified member in his/her own right.
 - i.** Each joint owner is jointly and severally liable to the credit union for the amount of any returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to the credit union, the credit union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the account.
- X.** The account must be opened with a minimum deposit of and maintain the minimum balance of one share. There shall be no restrictions in the amount of share savings a member may deposit or the total amount they may have in their share account, other than as noted or as limited per the Bylaws.

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- XI.** Additional member services and accounts which are tied to the primary owner of a Kids Club Share Account are limited to:
- i. ATM Cards
 - ii. Holiday and Vacation Share Savings Accounts
 - iii. Money Market Savings Accounts
 - iv. Term Share Certificates
 - v. Audio Response
 - vi. Home Banking
 - vii. IRAs, as permitted by law
 - viii. or as otherwise approved by management
- XII.** Kids Club Share Accounts may not have and are not eligible for the following:
- i. Checking Accounts / VISA Debit Cards
 - ii. Loans
 - iii. Credit Cards
 - iv. Overdraft Protection
 - v. and may not be used as collateral for a loan
- XIII.** If a member causes a financial loss to the credit union and is a joint owner on a Kids Club Share Account, all credit union services will be denied to the joint owner with the exception of maintaining the account and the minimum balance of one share.
- XIV.** Dividends will be calculated using the daily balance method (the application of a daily periodic rate to the full amount of principal in the account each day) and paid monthly. The Board of Directors will declare dividends monthly. A minimum \$5.00 balance is required to earn any stated annual percentage yields.
- XV.** Transfers from this account, others than those made in person by the member or joint owner, will be limited to no more than six (6) per month as set forth by federal regulation D.
- XVI.** Periodic statements will be provided at least quarterly.

Approved at the February 24, 2016 meeting of Beach Municipal Federal Credit Union's Board of Directors.