

**PENN MANOR SCHOOL DISTRICT  
MILLERSVILLE, PA**



**REQUEST FOR PROPOSAL  
BANKING SERVICES  
FEBRUARY 2013**

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**PENN MANOR SCHOOL DISTRICT  
MILLERSVILLE, PA**

**OFFICE OF THE BUSINESS MANAGER**

**SECTION I  
INTRODUCTION**

Sealed proposals for banking services will be accepted by the Penn Manor School District (the "District"), addressed to Christopher L. Johnston, Business Manager, P O Box 1001, Millersville PA 17551, March 25, 2013, at 11:00 A.M. The sealed proposals must be in the possession of the Business Manager at that time.

Service implementation target date: July 1, 2013.

**BACKGROUND AND OBJECTIVES**

The Penn Manor School District is a local governmental unit created by the Commonwealth of Pennsylvania to provide education services to students living within its community. The Penn Manor School District consists of Conestoga, Manor, Martic and Pequea Townships and Millersville Borough. The Board of School Directors governs the District. The Board meets regularly on the first and third Mondays of each month to conduct that month's business agenda.

The District operates its education, food service, athletic, student activity, construction and capital reserve programs funded by the District, the Commonwealth of Pennsylvania, and the Federal government. In all, the District has an operating budget of approximately \$66,000,000, and employs 600 fulltime and 250 parttime individuals.

The District General Fund currently operates the two primary central bank disbursement accounts. The first is the concentration account. All miscellaneous cash and check receipts, disbursements to vendors, and overnight investment transactions occur in this account. The second account is used for all payroll transactions. Funds are transferred from the concentration account to the payroll account, and all payroll checks and direct deposits are made from the payroll account. In addition, the District operates other accounts for investments, tax receipts, student activities, food service, athletic, construction and capital reserve funds.

The objectives of this Request for Proposal are to identify the banking institution that can offer the highest quality service at the best value to the District. The District intends to maximize deposit availability, maximize deposit security, and minimize cost and management time. As you will see from a review of this proposal, the District is interested in obtaining the best mix of services to meet our specific banking needs. The District reserves the right to reject any and all proposals and to award a contract to the financial institution whose overall capabilities will best serve the District's needs.

An important aspect of this proposal is to obtain market rates (federal funds rate) of interest on all funds held in our accounts with limited associated risks. The District requires that the bank represents, warrants and covenants that, at all times, the assets pledged by the bank as collateral will

comply with Act 72 and will also comply with the following additional requirements: (a) the collateral will be marked to market at least once per day, (b) the market value of the collateral will be at least equal to 120% of the amount of the Applicable Public Deposits (in excess of the FDIC insurance limits), (c) the collateral will consist solely of either full faith and credit obligations of the United States Government or fixed rate obligations of agencies or instrumentalities of the United States Government, (d) the collateral will be held by the Custodian in a separately designated Act 72 pledge account (the "Act 72 Account") and (e) in accordance with Section 6 of Act 72, the bank will provide a monthly report to the Depositor regarding the aggregate Applicable Public Deposits being secured by the Collateral, a listing of the Collateral, and the market value of the Collateral. The bank will determine the value of Collateral in good faith based on recognized valuation sources. The bank must have the Collateral held by, and be valued by, an independent third party. The successful bank and Custodial Party will be required to sign separate depository and custodial agreements with the District. The intent of the District is to create and maintain a perfected collateral pledge as defined with the Federal Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

#### LENGTH OF CONTRACT

The District is interested in establishing a stable relationship with selected bank. To do this, the District would like to develop an agreement with an original term of five (5) years with an option to renew for additional years. After the initial term, fees can be renegotiated should this be deemed necessary.

Either party with a 60-day written notice may terminate the contract for any reason. Should the bank prematurely terminate the contract, all District costs to establish a new banking agreement will be the responsibility of the terminating bank.

Also, the District can terminate the agreement immediately should, in its sole opinion, information be received relating to the declining creditworthiness of the bank or adverse changes to the portfolio collateralizing the District's funds held by the bank.

#### SELECTION CRITERIA

The District will evaluate each proposal received based on the following criteria:

- Creditworthiness and financial strength of the bank institution
- Investment of Funds
- Cost and flexibility of services
- Ability to provide services efficiently and effectively through automation
- Funds deposited and collateralized in accordance with all Federal, State and Local laws, and in accordance with the further limitations in this request as they relate to collateralization requirements
- References from other governmental clients
- Bank Branch proximity to District Office
- All banks submitting proposals must have a branch geographically located within in or near the District
- Interest rate and/or earnings credit rate paid on all time deposit accounts
- Overall best value for the District as determined by the District

## TERMS AND CONDITIONS

Be aware that this is a request for professional services, and not a competitive bid. The District is not required to conduct its request for professional services in accordance with competitive bidding laws.

The terms and conditions of this proposal process are as follows:

1. The District reserves the right to reject any or all proposals;
2. The District may waive any irregularities or informalities and select the best proposal in the opinion of the District;
3. The District may render the proposal invalid due to unauthorized modifications or specification forms or terms;
4. The District may award full or partial services from one or more proposals.

## **SECTION II SCOPE OF BANKING SERVICES**

This Section describes the services the District intends to use as a bank customer. There are questions embedded in this section that are repeated in the proposal instructions.

Our objective in requesting services is to more effectively and efficiently operate our cash management system. The District may use additional services if the District believes there would be a beneficial cost/benefit relationship. Should you determine that additional services would be beneficial, please include those additional services in your response and any related costs the District wish to use this benefit.

### PRIMARY SERVICES

The District currently utilizes the following accounts:

General Account – “Concentration” or “sweep” account. Used for all deposits and vendor payments not associated with an account listed below. Other zero balance account balances are transferred to or from this account on a daily basis.

Payroll Account – zero balance account. Funds are transferred from concentration account to cover cleared checks each day.

Tax Account – zero balance account. Deposit account for tax payments and lockbox services. Funds are transferred to concentration account each day.

Special Revenue Account – zero balance account. Deposit account for student curriculum-related deposits. Funds are transferred to concentration account each day.

Food Service Accounts – checking and savings.

Athletic Accounts – checking and savings.

Student Activity Accounts – checking and savings for student extra-curricular activities.

Capital Reserve Accounts – checking and investment accounts.

Construction Fund Accounts – checking and investment accounts.

### COLLECTION SERVICES

Collection services are those services related to the acceleration of the availability of funds for investment or disbursement.

Wire Transfers In – The District uses wire transfers to move funds between the District’s financial institutions for investment and debt service purposes. If necessary, adjustments will be made for any lost interest or charges resulting from a “fail” to consummate an investment transaction.

ACH Deposits – The District receives much of its funding from the Pennsylvania Department of Education and other sources via ACH. All deposits received via ACH should require no prior notification of the bank and should be available for withdrawal immediately.

Over the Counter Deposits – The District provides various educational services for which cash and checks are received for payment. A staff member prepares and deposits these funds daily, or as needed. The check-clearing time is vital in an effective cash management system. Uncollected funds are not available for immediate investment. With the understanding that most checks received by the District are drawn on local banks, we require same day availability of “On Us” and local bank deposits received by bank.

Please provide your check-clearing method and policy for checks that are drawn on other than local banks to identify the time it will take for deposited funds to become collected and available for investment. If bank does not provide same day availability of “On Us” and local checks, please detail the policy in your response. (See Response to Proposal – Attachment B-2).

### DISBURSEMENT SERVICES

Disbursements services are those relating to the disbursement of funds from the bank.

Wire Transfers Out - Wire transfers are initiated by the District to transfer funds from our bank accounts to other financial institutions for investment and debt service purposes. Many out-going wires will be repetitive in nature and the District will not accept the requirement of going to a local branch to initiate a wire transfer. If necessary, adjustments will be made for any lost interest or charges resulting from a “fail” to consummate an investment transaction.

ACH Debits - The District makes payment of federal and state withholding taxes with ACH Debits from the Concentration account. In addition, other outside organizations will debit funds on a regular basis.

Payroll Services - The District pays employees on a bi-weekly basis. The District’s payroll is prepared in-house by District employees.

The District requires direct deposits of payroll to all employees. There are a few checks generated on each bi-weekly payroll as necessary for change of employee account and other maintenance issues.

The payroll is prepared by Monday and the District pays employees on Wednesday. Information is submitted to our financial institution two (2) business days prior to the transfer date.

The District requires the following for direct deposit:

No funds may be withdrawn from the account prior to the effective date. The District will not utilize any bank provided software for any part of the payroll process, since the District can provide standard ACH files.

Please indicate the communication methods and technology necessary for the District to transmit direct deposit information to the Bank. Response must include any deviation from the District requirements. (See Response to Proposal – Attachment B-3).

Account Reconciliation/Check Disbursement Services - The District uses approximately the following number of checks per year per fund:

General	4,100
Food Service	350
Student Activity	275
Athletic	750
Construction	50
Capital Reserve	100

The District requires a system that the bank provides that will allow us to obtain an electronic listing of cleared checks from the bank via the internet. The information transmitted must include check number, account and date paid as well as a physical image of both sides of the check. This would allow us to simplify our bank reconciliation process by electronically preparing our outstanding checklist.

#### LOCKBOX SERVICES

The School District currently accepts real estate tax payments through a lockbox. The School District generates approximately 15,000 original tax bills and 1,700 2<sup>nd</sup> and 3<sup>rd</sup> installment bills between the period July – December annually. The lockbox service is being looked at as a stand-alone product and may not be tied to the contract for core banking services. The contract bank should provide an overview of lockbox process including converting payments to an electronic file, payment imaging and retrieval and handling of rejected items.

Included with this information should be complete details of fees and prices for such services. (See Response to Proposal – Attachment B-4).

#### MONTHLY REPORTING

The financial institution will, on a monthly basis, provide the District with a detailed statement of activity listing each transaction and ending daily bank balance. Statements should cover the period from the first of the month to the last day of the month. A listing of the cleared checks in numerical order must be provided. This listing should include the check number, check clearing amount, and date the check was cleared. Also, this report must include a total of outstanding checks for the month. The District will supply the bank with the cut-off date, manual void report and check range. The District should receive these reports no later than the fifth (5<sup>th</sup>) business day of the following month with an end of the month cut-off.

The District also requires an Account Analysis Report including all per item fees and earnings credit calculations on a monthly basis.

### ELECTRONIC SERVICES

In addition to addressing all services previously described, the District wishes to evaluate how business may be conducted through the bank via electronic services. Please describe your financial institution's ability to provide the following services via a secure internet site:

- Previous day and historical balances and transaction reporting
- Current day reporting of all electronic transactions (wire and ACH) and check presentment reports on a Controlled Disbursement Account
- Reporting on returned deposits, returned ACHs, returned wires and Notification of Charges (NOCs)
- Initiation of book transfer, repetitive Fed wire, and non-repetitive Fed wires
- Maintenance of repetitive book and Fed wire instructions
- Submission of stop payment
- Review of previous day or historical check images
- Bank Automated interchange (BAI) or other file type downloads of paid checks

Included with this information should be complete details of fees and prices for such services. It is anticipated that significant savings on stop payment and transaction initiation could be achieved by utilizing such systems.

Also included should be detailed description of recommended District technology necessary to utilize these services. (See Response to Proposal – Attachment B-5).

### INVESTMENT SERVICES

The effective and efficient cash management system accelerates receipts of funds, delays disbursement of funds, and minimizes cash balances. Each of these objectives has been discussed in detail previously within this section of the Request for Banking Services. A truly exceptional system; however, should be measured on the full investment of cash at market rates with very little or no risk associated with the program.

Since banks having many differing investment products, please provide us with your detailed suggestions relating to the investment vehicle you will provide us. These suggestions must include the following information: (See Response to Proposal – Attachment B-6)

1. The method used to fully collateralize our account balances in excess of FDIC. Should a repurchase agreement be considered, please explain the type of investment which will be used in this buy/sell agreement. A separate repurchase agreement will be required for these types of transactions. Also, describe the safekeeping arrangement for the investments held relating to the repurchase agreement or the bank's independent trust company. All collateral must be held and valued by third parties.
2. Explain the calculation of the daily interest rate including the specific interest index and source of information (i.e., Wall Street Journal).
3. Explain the calculation of the interest earned on a monthly basis (i.e., 360 -365 day basis, average daily balance, average monthly interest rate, calculated daily based on daily rate and daily balance).
4. Provide description of the amount of cash balance on which the interest calculation is based such as collected funds and reserve amounts.
5. Any additional information you deem necessary for the District to fully understand your suggested investment vehicle.

The District, by policy, is extremely conservative and adverse to risk. However, a well-administered cash management system can provide market rates of return without exposure to risks.

### **SECTION III BANK CREDIT EVALUATION**

Although properly structured collateral offers the District very good insurance against financial institution credit problems, the District would be remiss in not evaluating the prospective bank's creditworthiness. Although this will not be the primary criteria, it will be used to include a financial institution in our proposal process.

The District will utilize the standard rating services to evaluate financial institutions. Should an institution be rated unfavorably by this rating system, the District will notify you of this fact and allow you to respond accordingly. Additionally, please include your audited financial statements for our review. (See Responses to Proposal Attachment B-7).

### **SECTION IV BANKING SERVICE FEES**

Banking services can be paid for by one of two methods. The District requests that your proposal response include both the compensating balance and the direct charge methods. The District reserves the right on an annual basis to choose either the compensating balance or the direct charge method.

This document includes a listing of the number of transactions used during a normal year for each banking service. It is understood that the direct service fees are fixed for the period of this proposal. Please provide us with per item cost and the annual cost for each service. (See Attachment A and Response to Proposal – Attachment B-8).

Also provide us with your compensated balance calculations and your policies relating to the evaluation of this established balance. (See Response to Proposal – Attachment B-9).

## **SECTION V PROPOSAL INSTRUCTIONS**

1. You must include four (4) copies of your proposal. Although no limit on document length is being imposed, proposals should be prepared simply and economically, providing a straightforward, concise description of the institution's ability to meet the requirements of the Request for Proposal.
2. In order to be considered, proposals must include all required forms in this Request.
3. Proposals must be signed by an official authorized to bind the institution to the provisions of this request for proposal.
4. Proposals must be addressed and delivered to:  
Christopher L. Johnston  
Business Manager  
By mail: P O Box 1001  
Millersville PA 17551  
By hand delivery: 2950 Charlestown Road  
Lancaster PA 17603

To be considered, proposals must be received no later than March 25, 2013, at or before 11:00 a.m. Institutions mailing proposals should allow sufficient mail delivery time to ensure timely receipt of their proposals. All proposals will be opened on March 25, 2013, at 11:00 a.m. The District will base its decision on the submitted proposals. Please be sure to include all required information with your proposal.

### QUESTIONS REGARDING PROPOSALS

All questions regarding this proposal need to be EMAILED to Christopher L. Johnston, Business Manager, at [CHRIS.JOHNSTON@PENNMANOR.NET](mailto:CHRIS.JOHNSTON@PENNMANOR.NET). All questions and answers will be posted on the district website at [www.pennmanor.net/rfp/](http://www.pennmanor.net/rfp/). PLEASE DO NOT CONTACT THE DISTRICT BY PHONE WITH RFP CONCERNS OR QUESTIONS.

### RESPONSE TO PROPOSAL

See Attachments A, B and C.

Please complete Attachments A, B and C. Should additional space be necessary for a complete response, please attach a sheet of paper, and return accordingly.

### BIDDER'S ETHICS AND COLLUSION

Collusive Bidding: Any bank that submits more than one proposal in such a manner as to make it appear

that one of the proposals submitted is competitive with that of a different bidder, or any two or more banks that agree to fix their respective proposals in such a manner as to be awarded the contract shall be disqualified from further consideration of award of this contract and shall be subject to any applicable penalties under the law.

**Bribery:** Any bank that attempts to influence a District official to award this contract to such bidder's banking institution by promising to provide or by providing to such District official any gratuity, entertainment, commission or any other gift, in exchange for a promise to award the contract to such banking institution shall be disqualified from further consideration of award of this contract and shall be subject to any applicable penalties under the law.

**Conflict of Interest:** Any bank that knows of any District official having a material direct or indirect financial interest in such bidder's banking institution shall be required to submit a written statement, along with the Form of Proposal, detailing such interest. Failure to disclose a known such financial interest shall result in the bank's disqualification from further consideration of award of this contract.

THIS PROPOSAL, WHICH INCLUDES,  
ATTACHMENTS A, B AND C,  
MUST BE RECEIVED AT THE  
PENN MANOR SCHOOL DISTRICT OFFICE BY

11:00 A.M.

MARCH 25, 2013

TO THE ATTENTION OF:

Christopher L. Johnston, Business Manager  
Penn Manor School District  
P O Box 1001  
Millersville PA 17551

NAME OF BANK: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

TELEPHONENUMBER: \_\_\_\_\_

FAX NUMBER: \_\_\_\_\_

ATTACHMENT A – PROPOSED FEE SCHEDULE

Name of Responding Bank: \_\_\_\_\_

Please indicate below the fees your bank will charge The School District for the applicable service. If there is no fee associated with the service, please indicate by writing \$0.00.

Services:

Charge per Item:

Account Maintenance (per account)

Zero Balance Concentration Account

Checks Paid

Deposit Slips Processed

Checks Deposited

Currency Processing

FDIC Assessment Fee

Wire Transfer Fee

- Incoming
- Outgoing

Transfers between accounts

Online Banking Services Fees

Hardware/software costs for online banking

Payroll Direct Deposit Processing fees

ACH Transactions:

- originating files
- originating credits
- originating debits
- prenote credit items
- returned ACH items

Notification of incoming ACH or Wire

Lockbox Service fees:

- monthly maintenance fee
- post office box fee
- per item fee
- unprocessed item fee
- electronic file preparation/transmission

Remote Deposit

- Transmission
- Transactions
- Equipment
- File storage/viewing capabilities

Deposit Tickets-3 part

Check Stop Payment

Duplicate check/copy fee  
Research Fees  
Returned Check Fee  
Certified Check Fee  
Positive Pay  
Check archiving  
Courier service

List below any additional fees that your bank may charge The School District for services not listed above. Please attach additional sheets if necessary. IF ADDITIONAL FEES ARE NOT LISTED BELOW, THE COMPANY WILL ASSUME THAT NO FEES WILL BE ASSOCIATED WITH OTHER SERVICES REQUESTED OR REQUIRED NOT SPECIFIED ABOVE.

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Specify any costs for which your bank will pay to offset the cost of the District's transfer of accounts from the current provider.

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ATTACHMENT B - RESPONSE TO PROPOSAL

B-1: NAME OF RESPONDING BANK: \_\_\_\_\_

B-2: COLLECTION SERVICES

Please provide your check-clearing method and policy for checks that are drawn on other than local banks to identify the time it will take for deposited funds to become collected and available for investment. If bank does not provide same day availability of "On Us" and local checks, please detail the policy in your response.

B-3: DISBURSEMENT SERVICES

Please indicate the communication methods and technology necessary for the District to transmit direct deposit information to the Bank. Response must include any deviation from the District requirements.

B-4: LOCKBOX SERVICES

Please provide an overview of lockbox process including converting payments to an electronic file, payment imaging and retrieval and handling of rejected items. Included with this information should be complete details of fees and prices for such services. If Lockbox Services are unavailable, alternate solutions may be proposed, including complete details and fee information.

B-5: ELECTRONIC SERVICES

Describe your electronic services and include a detailed description of recommended District technology necessary to utilize these services.

B-6: INVESTMENT SERVICES

Please provide us with your detailed suggestions relating to the investment vehicle you will provide us.

B-7: BANK CREDIT EVALUATION

Please provide current rating reports for your institution as well as audited financial statements for your last closed fiscal year.

B-8: BANKING SERVICE FEES

Please provide us with per item cost and the annual cost for each service. See also Attachment A

B-9: COMPENSATED BALANCE CALCULATIONS

Please provide your compensated balance calculations and your policies relating to the evaluation of this established balance.

## QUESTIONNAIRE – ATTACHMENT C

NAME OF RESPONDING BANK: \_\_\_\_\_

**Instructions:** Please provide complete answers to each question. Attach schedules as necessary. If not applicable, please indicate N/A.

### **DEPOSITORY SERVICES**

#### **Processing**

1. Location of Bank Branch for School District to take daily deposits?
2. Does the bank provide assistance with charged fees for new checks, deposit slips, and other charge fees/issues?
3. Are night drop, vault, remote and branch service options available? Is pricing different for utilizing these different deposit options?
4. What is the cut-off time to ensure same day ledger credit?
  - a. Is it the same for night drop, vault, and branch services?
  - b. Is it the same for cash as for checks, drafts, etc.?
  - c. Are there any options that might affect this cut-off time (e.g., provisional credit, delayed verification)?
5. Are weekend or holiday deposit services available?  
Is there an additional fee or discount for utilizing these services?
6. Do you limit the number of deposit tickets that can be included in one deposit bag?
7. Are the deposit tickets that you provide available in multiple part forms?  
How many copies does the bank require?
8. Do you accept loose and/or rolled coin for deposit at vault, branch and night drop locations? Is there a fee for depositing loose or rolled coin?

#### **Deposit Verification**

9. When counterfeit bills are discovered, what is your notification and adjustment process?

### **Return Item Processing**

10. Can return items be automatically redeposited?  
If so, how many times?
11. Provide the bank's standard return item and reclear processing instructions.  
List any non-standard options that are available.
12. Is it bank policy to refuse items not sent through the system in a timely manner?

### **Account Reporting**

13. Can you provide electronic reporting of deposit detail activity?
14. On what frequency is the information available (e.g., daily, weekly)?
  - a. Is this also available through the Internet?
  - b. Can multiple users from multiple locations access the information?  
  
If so, can the bank restrict users to accessing only portions of the information?  
Do users have the flexibility to access only portions of the information?
15. For daily reporting, what time each day is the data available?
16. Will the detailed account reporting system provide beginning and ending ledger (book) balances, collected balances, and float assignment?
17. What current-day reporting is available through the reporting system?
18. How many business days is data stored on the reporting system and available for customer access?
19. Does the access include entry of stop payments?  
When are stop payments entered through the reporting system effective?  
How long are they effective?
20. What technical specifications will be required for our system?
21. Is specific software required to communicate with the bank's system?
22. Are transmission file(s) created and available for access by personal computer?  
  
Is Internet access available?

23. Describe the technical support available to aid in electronic data transmissions.

24. Describe the bank's security procedures for its information reporting system, both for access and information protection.

#### **Deposit Reconciliation Report**

25. Does the bank offer a Deposit Reconciliation report service for consolidated deposit accounts?

If so, is the report available by paper?

Electronically? CD-ROM?

26. Is deposit activity for all depositing locations reported separately or are they summarized?

27. Does the bank correct deposit location numbers if there is a serial number misread?

If not, how are they reported?

#### **Transaction Research**

28. What documentation is provided with deposit correction adjustments?

What delivery methods are available?

29. Within what time frame can you provide requested copies or documentation?

What delivery options are available?

#### **Disaster Recovery**

30. Describe the bank's disaster recovery plan in detail.

31. Where are the off-site facilities located?

### **WIRE TRANSFERS**

#### **Cut-Off Times**

32. What are the opening hours and cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution?

List by type of transfer and method of communication (e.g., voice, touch-tone phone, PC).

33. What is the cut-off time for incoming domestic wire transfers to receive same day credit?

34. Does the bank provide end of day time extensions for processing if Fedwire hours are extended? If so, how would the company be advised?

**Confirmation**

35. How soon after wire execution would an internal bank confirmation/sequence number (not the Fed Reference number) be available?

Explain any delays.

36. How long does it take for the Fed Reference number to be assigned to a wire assuming no repairs are needed and there are sufficient funds in the account?

Explain any delays.

37. Have there been interruptions in the processing of wire transfers due to the bank managing its net debit cap?

What steps are you taking to ensure uninterrupted service?

38. When and how can a wire transfer be canceled after it is released to the system by the company?

What is the latest time in the day to cancel?

Is there a charge for cancellation?

- a. Is this process manual or automated?

What is the deadline for receipt of an instruction to guarantee cancellation of a wire transfer?

What is the deadline for best efforts cancellation of a wire transfer?

What is the process for retrieval of funds?

Is there a charge for canceling a wire transfer?

39. How is the status of transfers tracked by the customer once the transfer is in the system (input, approved, released)?

How does this differ for telephone initiated wire transfers?

40. At what point does the bank assume legal liability for executing a wire transfer?

How is that event identified?

41. What is the bank's policy in the event of a wire transfer failure for which receipt of instructions has been confirmed to the customer?

42. How and when is the customer notified of a failed wire transfer?

### **Warehousing**

43. Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wire transactions?

How many days/months in advance?

Is the warehouse function limited to certain types of wire transfers?

Explain.

44. Can the wires be input, approved and released so they will be executed automatically on the value day?

Will the wire transfer system provide a tickler report of warehoused transfers that are pending current day release?

45. Is it possible to cancel a previously warehoused wire transfer request before value day? On value day?

46. What time are future value dated wires automatically executed on the value day?

### **ACH PROCESSING**

47. Describe the service delivery method (direct transmission, PC-based system, terminal input) which you offer. Include any alternative methods.

Does the bank use transaction or file dollar limits?

If so, is the customer informed of its limit?

What procedures are followed when a customer submits a file that exceeds the limit?

48. What are the hours of operation of the ACH unit?

49. What are the bank's cut-off times for customer initiation of ACH transactions?

50. Does the bank offer weekend processing of items for Monday effective date?

What is the deadline for receipt of customer instructions for initiating transactions?

51. Describe the procedures used to verify accurate and secure receipt of transmissions.

52. What are the bank's recommendations regarding pre-notifications for the service being requested?
53. Can the bank automatically redeposit items returned for insufficient or uncollected funds?  
When items are redeposited, are any entries posted to the customer's account?
54. What is the bank's maximum retention period for future dated transactions?  
  
How long are transactions maintained for on-line reporting after the effective date?
55. Can the bank modify a transaction which the company has originated prior to releasing the transaction to the ACH operator?  
What modifications can be made?  
If modifications are permissible, what is the deadline for receiving instructions to modify a transaction?
56. How does the bank handle file, batch and item reversals and deletions?
- a. What are the deadlines for reversing or deleting a file?  
Batch? Item?
  - b. Describe your bank's process for reversing and deleting files, batches and items.
  - c. What security procedures are used?
  - d. How is the customer notified?
57. Does the bank accept both debits and credits on the same file?  
If so, are there any additional requirements?
58. Does the bank provide a database of ACH member institutions?  
Describe.
59. Describe the bank's ACH return process. When will returned funds be posted to the customer's account?
60. How do you advise customers of NACHA rule changes and their impact?
61. The following questions relate to PC-based services.
- a. What are the hardware/software requirements?
  - b. Is the application Windows based?

- c. Does the application support the use of LAN or modem pool?
- d. Will assistance with software installation be provided?
- e. What training does the bank provide?
- f. Does the software offer the ability to establish security levels by user and by business unit?
- g. How does the bank handle system upgrades?  
Is there a charge for upgrades or are they included in the standard maintenance?

### **Settlement**

- 62. What time and day must the customer fund disbursements?
- 63. What time and day will the customer receive availability for ACH collections?
- 64. Can same-day ACH transfers be made?  
If so, by what time must the file be received in order for funds to be made available in receiving accounts the same day?
- 65. When will settlements for this service be reported and/or posted?

### **Receiving ACH Transactions**

- 66. What time will we be informed of items being charged/credited to our account?
- 67. What information do you provide and how do you report incoming ACH transactions? (e.g., fax, mailed advice, statement)

### **Debit Authorization Service**

- 68. Does the bank offer any service to protect our account from unauthorized ACH debits?
- 69. Can you block all ACH debits to our account?
- 70. Can you selectively accept ACH debits only from originators authorized by us?
  - a. How are such authorizations set up?

b. Can you ensure that originators do not charge our account for more than we have authorized?

71. How do you handle receipt of entries from unauthorized entities?

72. Can you stop payment of individual transactions?  
Describe procedure.

73. By what methods does the bank notify the customer of the receipt of unauthorized ACH debits?

### **Customer Service**

74. Indicate the bank's customer service organizational structure for ACH services.

\_\_\_\_\_ Separate customer service department for ACH

\_\_\_\_\_ Centralized customer service department for all cash management services

\_\_\_\_\_ Customer service contained within ACH operating unit

\_\_\_\_\_ Other (explain):

75. Will a specific customer service representative be assigned to handle this business?

Describe the responsibilities of customer service personnel, including the process and chain of command for problem resolution.

76. What are the hours of operation of the ACH customer service unit?

Specify time zone.

77. How are inquiries requiring research and adjustments handled by the bank?

78. Are there established turn-around times for research and adjustment items?  
If so, specify.

79. What is the bank's record on meeting established response times?

80. Does the bank provide technical customer support for computer hardware, software and communication problems?  
If yes, what hours is technical support available?

### **MISCELLANEOUS**

81. Describe the bank's image processing capabilities.

- a. Do they include on-line customer access to return and adjustment images?
  - b. If not currently available, when do you plan to implement image services?
  - c. What are the hardware and software requirements for the customer?
82. Include information on any other cash management services currently provided by the bank that may benefit the customer.
83. Describe the bank's customer service organizational structure.
84. Will a specific customer service representative be assigned to handle this business?
85. Are there any minimum balances required for any accounts that may be utilized by The School District?
86. Will the bank provide deposit stamps with account numbers for each fund/account?
87. Will the bank insure that the checks provided to The School District are compatible with The School District's printer?

**INVESTMENT SERVICES**

88. State the location (address) of the facility that will serve as The School District's security clearing processor.
89. Describe how the bank will handle securities processing for The School District for each of the items listed below. Where automated processing is available, indicate the nature of the automation.
- a. Confirmation of purchase/sale transactions
  - b. Maturities, Interest Payments, and Calls
  - c. Notification of failed trades
  - d. Trade discrepancies

90. Please indicate how the bank would prefer The School District to communicate daily transactions to safekeeping personnel (e.g., fax, e-mail, voice)
91. Please describe any limitations the bank may place on amounts and types of investments The School District could clear through the bank.
92. List the means by which the bank could make reports available to The School District (on-line, paper, fax, etc.). Be sure to identify any special communications capability or equipment requirements that would be necessary to access the reports.
93. Within what time frame would information be available on-line?
94. How are security transactions identified on the bank statement?  
What information is available to The School District in reconciling these transactions?  
Please provide examples.
95. Do you have a customer service team dedicated solely to security clearing?
96. Who will be The School District's primary contact for security clearing issues?