



SALEM CITY SCHOOLS

1226 E. State St.  
Salem, OH 44460

**Banking Services  
Request for Proposal**

**GENERAL INFORMATION**

The Treasurer of the Salem City Schools, Columbiana County, Ohio is soliciting proposals for banking services for a period of not less than five (5) years. The purpose of this RFP process is to obtain the highest quality banking services with the greatest expected interest earnings net of the necessary charges for services at a competitive price.

The selected institution shall be designated as the school district's depository for an initial three year term commencing August 24, 2016. The depository agreement will contain an automatic annual renewal clause that can be used in the two (2) following years, thereby providing for five (5) years of depository and banking services. The agreement may be terminated at the end of each annual period upon receiving a 60 day written notice prior to the close of that annual period by either party.

Copies of the RFP document can be obtained at the District's Central Office located at 1226 E. State Street, Salem, Ohio 44460 or by requesting through email (barrettrobert@salem.k12.oh.us). Proposals should be submitted to the attention of the Treasurer, Salem City Schools in a sealed envelope. PROPOSALS ARE DUE BY 12:00 P.M. (noon) on Thursday, June 23, 2016.

Please include one original and three copies of the response in your submission. Questions or requests for clarification may be directed to Mr. Robert P. Barrett, Treasurer/CFO at (330) 332-0316 extension 58217 or email address at barrettrobert@salem.k12oh.us.

Any exceptions to the specifications of this request for proposal must be clearly stated in writing in the proposal. The District reserves the right to reject any and all proposals, to waive irregularities, to retain all proposals submitted and uses any idea in a proposal regardless of whether that proposal is selected, and to cancel this proposal if doing so would be in the public's interest.

The Treasurer reserves the right to award some banking services to more than one (1) institution.

RFP Schedule & Timelines

Monday, April 4, 2016	Advertisements on District's website
Monday, April 4, 2016	Release of RFP Document
Friday, June 17, 2016	Cut-off for bid inquiries (2:00 p.m.)
Thursday, June 23, 2016	Bid responses to RFP due 12:00 p.m. (noon) EST
July 11 – 15, 2016	Evaluation of bid proposals
Friday, July 15, 2016	Recommendation to Board of Education
Monday, July 18, 2016	Resolution passed and agreement executed
August 24, 2016	Start date of new Bank Agreement



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### **Verbal Communication**

Verbal communication from any Salem City Schools employee concerning this RFP is nonbinding and shall, in no way, alter a specification, term or condition of this RFP.

### **Mandatory Requirements**

- Banks shall answer ALL questions in this RFP. Failure to respond to each of the requirements in this RFP may be the basis for rejecting a response.
- Failure to comply with any term and condition outlined in this RFP by the bank may disqualify the bank during the designation period.
- Banks shall submit the name, address, email address and telephone number of an individual with the authority to answer questions or provide clarification regarding their responses.
- Responses shall be submitted in a SEALED envelope or package bearing the title 'Bid for Banking Services', and include the bank's name and address. The package must contain four (4) copies (one original and three copies) of the responses in the specified format and other supporting documents.
- Submissions shall be sent to: Mr. Robert P. Barrett, Treasurer/CFO Salem City School District, 1226 E. State Street, Salem, Ohio 44460.

## **BANKING SERVICES PROPOSAL INSTRUCTIONS**

Your response to the District's RFP must follow the enclosed Proposal Response Format, in the exact order listed. The banking services identified for inclusion in the RFP include: (A) Required Banking Services; (B) Desired Banking Services; and (C) Other Instructions. Any proposal that does not address or cannot provide all of the required banking services, elements or conditions qualifying a bank to propose, or does not provide the information requested in "other instructions," may be excluded by the District from consideration. Should there be any changes made in the RFP, a written addendum will be provided to all registered parties and will include any required adjustments in schedule dates.

### **A. REQUIRED BANKING SERVICES**

#### **1 ACCOUNTS:**

General Operating Account – regular and ACH deposits, returns, cash verification/night drop, vendor checks/ACH payments, and incoming/outgoing wire transfers

General Operating Budgetary Account – paid items, partial reconciliation, controlled disbursement.

Payroll Account – paid items, partial reconciliation, ACH

Money Market Account – investments



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**2. OVERNIGHT INVESTMENT VEHICLE**

Describe the overnight investment vehicle for the aforementioned accounts. The following will be required of the overnight investment vehicle:

1. All securities pledged as collateral will be consistent with, and comply with, the Ohio Revised Code.
2. A Customer Advice for each transaction will be provided to the school district with the following information:
  - a. Date
  - b. Amount of purchase or sale
  - c. Beginning and ending balance in the account
  - d. Interest rate earned that day
  - e. Amount of interest
  - f. Account charged or deposited to

**3. DESCRIBE THE CALCULATION OF INTEREST AND THE ALLOCATION TO THE RESPECTIVE ACCOUNTS.**

*If any depository wishes to propose an alternative to the use of the overnight investment vehicle described above, those alternatives will be closely examined. Therefore, it is important that the methods of operation, as well as the rates of return of any proposed alternatives be clearly stated in the proposal.*

**4. BANKCARD SERVICES**

Describe the merchant bankcard services offered, as well as the costs, including the discount charged, and the type of equipment used. Include fees, if any, associated with changing over bankcard machines to your bank, annual fees, on-line statement access, hard copy of monthly statements (even if a zero balance), authorization process for adding or deleting credit card accounts.

**5. LOCATION**

The bank will have a branch facility within the District boundaries for deposits, lockable or other secure deposit bags, as well as overnight depository services. If these criteria are not met, please describe process for deposits and depository services.

**6. DEPOSIT SLIPS AND DEBIT/CREDIT ITEMS**

Deposit slips and debit/credit items will be provided by the depository. The District currently uses a standard 2-part carbonless deposit slip for recordkeeping. The District will provide all checks utilized.

7. Provide detail on process for non-sufficient funds (NSF) ACH conversion for re-presentment of NSF check. Automatic redeposit of returned checks a second time is desired, if the instruments are initially dishonored due to "NSF" notations. Discuss how NSF fees are to be assessed.

8. Discuss how stop payment fees shall be charged.



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9. Describe the positive pay services offered by the depository. Include timeframes for reviewing transactions as well as the default options in the event a response is not received within the posted timeframes. Please identify whether the option of payee positive pay is available.
10. Describe the depository's stale date check management processes to ensure that items are not honored beyond the period printed on the face of the item.
11. Describe the depository's check to ACH conversion or Remote Deposit Capture (RDC) capabilities, including any one-time and recurring charges. Identify hardware/software requirements necessary for implementation of RDC.
12. Each proposal shall provide documented examples of its funds availability schedule for electronic and paper transactions.
13. Monthly checking account statements with images of cleared checks shall be available online the next business day following month-end. Samples of standard statement formats available should be provided.
14. All securities pledged as collateral will be consistent with and comply with the Ohio Revised Code. A quarterly report on pledged collateral shall be made available/mailed to the District.
15. Electronic data transmissions available via on-line banking system on the next day by 8:00 a.m. including the following:
  1. Previous day's ending ledger balance
  2. Previous day's ending collected balance
  3. One- and two-day float
  4. Total debits – detailed debit listing
  5. Total credits – detailed credit listing
  6. Zero-balance account transfer amounts
  7. Interest earned monthly
  8. Previous day's book transfers

If the information is available online on a real-time basis, please indicate what information is available and any additional costs associated with such real-time access.

16. Depository will provide the district with individual monthly account analysis statements, as well as a consolidated statement that combines all Demand Deposit Accounts (DDA) and sweep accounts, clearly defining services, ledger and collected balances, credits for balances in excess of uncollected funds, and costs incurred by the district. All fees and charges are to be charged against the account analysis. Monthly account analysis statements shall be provided not later than ten (10) days after the end of each month.



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17. The depository must maintain wire transfer facilities through the Federal Reserve Bank System.
18. Each depository shall indicate the primary resource personnel and location of such personnel who will service the District within the scope of this agreement. In addition, the bank shall identify liaison staff members as well, on the basis of “primary” contact people and “backup” contact people.
19. The bank shall provide an explanation of disaster recovery and business continuity processes and procedures that are in place to protect the District and the bank in the event of disaster or business disruption to either entity or both.
20. Each depository shall define in detail the rates and formula for calculating any charges resulting from an overdraft of minimum balance required of a sweep account.
21. If the institution utilizes the services of a third-party vendor, such relationships must be identified. Please describe the role of such third-party processors to be used in providing the services listed within this RFP.
22. If the District develops a need for additional accounts or services during the term of the depository agreement, those new accounts or services shall be provided with the same conditions that apply to the existing accounts.
23. The institution shall provide ACH filter services to protect from unauthorized electronic transactions.
24. If the depository is a bank, the following question must be addressed. Is the institution or any of its directors, officers, employees or controlling shareholders currently party to an active final or temporary cease-and-desist order issued under Ohio Revised Code §1125.08?
25. If the depository is an association: is the association or any of its directors, officers, employees, or controlling shareholders currently a party to an active final or temporary cease-and-desist order issued under Ohio Revised Code §1155.02?

#### **B. DESIRED BANKING SERVICES**

The Treasurer’s Department seeks to improve efficiency available with alternative systems and technology. Separate from the aforementioned required banking services, the District invites the depository to separately provide information on the following services. The price of these services and their impact on the compensating balance should be listed separately and NOT included in the compensating balance requirement.

1. Describe the web-based payment services offered including the costs of initial implementation as well as ongoing monthly fees of the service.



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2. Describe the payment card services offered and related pricing including:
  1. Cost of issuing cards
  2. Ability and cost to customize card design
  3. Online account information available
  4. Rebate programs and required spend requirements
  5. Flexibility of modifying spending limits and authorized users
  6. Software available to code transactions online
  7. Other pertinent information regarding the institution's credit purchasing card program.
  8. Does the existing programming allow for USAS file loads.
3. Please provide information on any banking-related benefits available to District employees and any requirements to qualify for such benefits.
4. Other services the depository believes would be of benefit to the District.
5. Please describe the types of credit available for the future purchase of equipment.

The Treasurer reserves the right to supplement the financial information provided by the bank with information obtained independently from market sources.

### **C. OTHER INSTRUCTIONS - Optional**

#### **1. Financial Strength of the Provider**

In order to determine the institution's financial strength, each depository should provide:

1. A copy of the most recent audited financial statements including those of any bank holding companies or parent.
  2. Current Moody's or Standard & Poor's rating report
2. The proposal may include other services the District may want to purchase. The District reserves the right to solicit comparable information on those services from all other banks responding to this request for proposal.
  3. Include references for similar banking services from other school districts. Please list school district names; contact person, the address and telephone number.
  4. Describe your organizational structure.
  5. Include a sample of any service agreements your bank requires.
  6. Include a schedule of all bank service fees.
  7. Depository shall complete and submit the Pricing Matrix (Exhibit A). Services and products not included in the standard matrix may be added at the bottom of the worksheet. Unless the item description would be self-explanatory, details on the



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additional items should be included on a separate document and submitted along with the matrix.

8. Describe what index the earnings rate on the sweep accounts would be pegged to, listing the last six months applicable rates.
9. Does the institution allow for the carry-forward of any unused earnings credits? If so, what is the related settlement interval: monthly, quarterly, or annually? The bank must specify the precise methodology for calculating the earnings credit as well as any applicable reserve requirements. Explain any charges that would not be offset by compensating balances.
10. Include a sample of the online balance report showing ledger balance, collected balance, and float balance, summary and detail, as well as user instructions.
11. Include a sample of the monthly detailed statement.
12. Include a sample of the monthly account analysis.
13. Describe briefly your proposed implementation plan and timetable for conversion, including any required training. The plan should provide the District with sufficient detail to allow for a reasonable estimate of the complexity and costs.

### **SELECTION PROCESS**

The Treasurer will evaluate all proposals and submit a recommendation to the Salem City Board of Education. The criteria that will be used to make the selection include the following items; each area will have different weights:

1. Technical ability and customized services of the financial institution as evaluated by the Treasurer's Department on the basis of materials submitted in the written proposal, or subsequent written addenda.
2. Ability to enter into banking services agreement without exceptions or modifications. Each modification shall be considered in determining the final award.
3. New cost of services (required minimum balance, fee structure).
4. Type of third party institution holding collateral.
5. Financial strength of institution.
6. Experience in providing depository services to similar accounts.
7. Earnings rates offered on accounts.
8. Electronic capability for daily and monthly information and transactions.
9. History of the financial institution in meeting the terms and conditions in prior contracts with the Salem City Schools and other government entities.
10. Any additional services offered.



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Salem City Schools reserves the right to reject any and all proposals and to accept the proposal the District considers most advantageous. Acceptance of a proposal will be based on the total package of services offered by the banking institution.

**Letter of Transmittal**

An institution's response to the District's RFP for banking and cash management services must be accompanied by a letter of transmittal. A sample transmittal letter follows:

Salem City School District  
Attn: Mr. Robert P. Barrett, Treasurer/CFO  
1226 E. State St.  
Salem, Ohio 44460

Dear Mr. Barrett:

In accordance with the District's Request for Proposal, we are pleased to submit our written proposal. \_\_\_\_\_ (insert firm's name) will provide financial institution services for Salem City Schools from August 24, 2016 through August 23, 2019 with a possibility of two additional years in accordance with the requirements of the Request for Proposal issued by the Salem City Schools and in accordance with sections 135.01 through 135.21 of the Ohio Revised Code.

\_\_\_\_\_ (insert firm's name) acknowledges that they are qualified to provide banking services in the State of Ohio and the legal domicile of the contract is the State of Ohio.

If \_\_\_\_\_ (insert firm's name) is designated to be awarded the District's deposits, a formal Bank Agreement incorporating such terms and conditions as mutually agreed upon by the parties will be executed by August 24, 2016.

Any information or questions concerning this written proposal may be directed to \_\_\_\_\_ (insert name of institution's liaison) at the following address \_\_\_\_\_ (insert address) and telephone number \_\_\_\_\_ (insert telephone number).