

I. OBJECTIVE

The Iowa City Community School District (the District) is seeking proposals from qualified financial organizations to provide the highest quality depository and treasury management services at the lowest cost to the District. The District operates as a K-12 public school serving over 13,300 students in 25 school buildings with over 1800 employees. The District facilities are located in the communities of Coralville, Hills, Iowa City, North Liberty and University Heights.

II. INSTRUCTIONS FOR SUBMITTING PROPOSALS AND TIMELINE

Organizations expressing an interest in providing the services described in the RFP and that meet the minimum requirements below must respond to the Iowa City Community School District using the timeline provide below. The School District will forward an electronic version of the RFP to the designated contact person at the financial institution if desired. Please direct any requests or questions to:

Leslie Finger
Director of Budget & Finance
Iowa City Community School District
1725 N Dodge Street
Iowa City, IA 52245
finger.leslie@iowacityschools.org

Any questions should be directed to Mr. Finger in writing at the above e-mail address during the period indicated below. Responses to all questions will be sent to the appropriate contact person at each organization by Friday, April 3, 2015, by e-mail.

One original printed copy of the proposal shall be delivered no later than 4:00 P.M., CST, Friday, April 10, 2015 to Mr. Leslie Finger at the address above.

The School District reserves the right to reject any or all proposals, in whole or in part, received in response to this RFP.

Timeline:

Issuance of Request for Proposal..... March 4, 2015
Questions and Answers as necessary.....April 3 to April 10, 2015
Proposals due April 10, 2015
Review of ProposalsApril 13 to April 22, 2015
Award of Contract April 28, 2015

III. TERM OF CONTRACT

The selected financial organization will be designated as the School District’s primary depository institution and the contract shall be in effect for a term of three (3) years commencing July 1, 2015. The contract may continue in force from year to year after the expiration of the initial term, subject to annual price renegotiation, provided that notice to terminate has not been exercised by either party.

IV. AWARD OF CONTRACT

The RFP's will be evaluated by the School District's business office, and the selection of a financial institution will be approved at the Board of Directors meeting on April 28, 2015. The evaluation of the proposals will be based factors including qualifications/eligibility, quality, references, cost and involvement with the educational opportunities of the community.

V. TERMINATION OF CONTRACT

The contract may be terminated by either party by giving the other party written notice of such intent not less than one hundred twenty (120) days prior to the effective date of termination.

VI. TERMS AND CONDITIONS

- A. Additional Information – The School District reserves the right to request additional information, if necessary, for the evaluation of the proposals.
- B. Disposition of Proposals – All proposals shall become the property of the School District and shall not be returned to the proposer. All proposals become public record as soon as received by the School District's Director of Budget & Finance.
- C. Promotional Material – **Proposal cannot contain promotional or display materials.**
- D. Proposal Preparation Costs – The School District is not responsible for any costs incurred in the preparation of this proposal.
- E. Signatures – An officer of the proposing organization empowered to bind the bank in a contract shall sign the proposal and any clarifications to it.
- F. Non-discrimination – The successful organization shall not discriminate or permit discrimination in its operations or employment practices against any person or group on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, or disability, and shall furnish evidence of compliance with this provision if so requested by the School District.
- G. Tax-exempt Entity – The School District is a tax-exempt entity as defined by the Code of Iowa, and therefore, taxes are not to be included in the proposer's fee calculations.
- H. Improper Business Relationships – The vendor shall have no improper or illegal relationships with District employees, officers or directors other than normal banking relationships.

VII. MINIMUM ELIGIBILITY REQUIREMENTS

A financial institution **must** meet the following minimum qualifications to submit a response to the RFP for the Iowa City Community School District. A submission of a response to the RFP confirms that the financial institution meets these minimum requirements.

- A. The financial institution must be a federally or State of Iowa chartered financial institution and be federally insured.
- B. The financial institution must have a Community Reinvestment Act (CRA) rating of satisfactory or higher.
- C. The financial institution must have assets in excess of \$500,000,000.
- D. The financial institution must have at least two full-service branches located within the boundaries of the Iowa City Community School District. At least one full service branch must include night depository services.
- E. The financial institution must have local customer service for all treasury management services; including but not limited to, depository and disbursement services, Automated Clearing House (ACH), wire transfer, on-line banking, and other remote deposit services.
- F. The financial institution must have direct access to the check clearing and collection services of the Federal Reserve.
- G. The financial institution must have direct electronic access to the Federal Reserve's wire and ACH network, and must be prepared to execute transactions promptly upon authorization of the School District.
- H. The financial institution must have the ability to do wire transfers, ACH services, and internal transfers on-line through an internet based system
- I. The financial institution must have a remote deposit product available for District use, if desired.

- J. The financial institution must comply with all regulatory, audit and investment policies of the District, including Chapter 12C of the Iowa Code or any successor statute. Please see exhibit A for copies of the School District's administrative guidelines.
- K. The financial institution must include only market available equipment and field tested software for all depository and treasury management services. In addition, the financial institution must be able to show the School District that the product and services are proven in the marketplace.
- L. The School District reserves the right to open additional accounts at a later date. The unit fees for services associated with additional accounts shall not exceed the unit fees for the same services for the primary account
- M. The financial institution shall provide signature guarantee services for the School District, if requested.
- N. The District currently receives funds in several accounts via ACH for payments from parents and vendors. The District anticipates that it will expand the options available (example: electronic payment of registration fees). Please include any fees related to the processing of these transactions.

VIII. BACKGROUND INFORMATION

- A. **General Fund Accounts:** The Iowa City Community School District has two main checking accounts for its general fund operations. The general account is used as the School District's main account to receive and disburse revenues from general operations and to originate vendor payments, and the majority of the investment transactions. The average ledger balance for this account over the last six months has been in excess of \$4,000,000. Minimum balances for this account are approximately \$500,000 and maximum balances for this account are approximately \$10,000,000. The payroll account is operated as an impress account with all ACH and direct deposit transactions and payroll checks processed through this account. Over 95% of the district's payroll is processed via direct deposit. The payroll account has had an average ledger balance of nearly \$2,400,000 over the last six months.
- B. **Food Service Fund Account:** The District utilizes this account to process all disbursements related to the food service (nutrition) program from the District. The District will process receipts through this account but will also deposit to accounts at other financial institutions based upon proximity to the individual school buildings. This account has had an average ledger balance over the last six months of approximately \$800,000.
- C. **Activity Fund Account:** This account is utilized by the District for deposits and disbursement related to school activities. This account has an average ledger balance of approximately \$750,000 over the last six months.
- D. **Insurance Fund Account:** The District utilizes the account to process the items related to the District's health and dental insurance program. There is minimal activity in this account and the average ledger balance over the last six months has been approximately \$5,300,000. This account will have weekly ACH transactions for the respective insurance programs. These ACH transactions will be initiated by the third party insurance administrators as approved by the District in accordance with bank regulations.
- E. **Schoolhouse Fund Account:** The District utilizes this account for the transactions related to it Physical Plant and Equipment Levy, Debt Service and Capital Projects (sales tax) funds. This account has had an average ledger balance of approximately \$1,000,000 over the last six months.
- F. **Investment Services:** The District participates in the The Education Liquidity Fund (TELF), formerly IPAS Education, investment pools as offered by Miles Capital. TELF accounts are utilized for the direct deposit of the District's property tax receipts and payments from the State of Iowa which represent approximately 95% of its general fund receipts and substantially all of the schoolhouse fund receipts. This requires the ACH or wire capability to transfer funds to accounts at the local financial institution. These transfers are usually less than 10 times per month. The District will also purchase Certificates of Deposit and investments in US Treasuries and Agency securities as funds are available and interest rates dictate. The District will solicit quotes from local financial institutions for these investment options as funds are available for investment.

IX. SCOPE OF SERVICES

- A. General Information

While the exact range and extent of services to be provided will be subject to contract negotiation, the School District anticipates that the selected organization shall provide, at a minimum, professional services and dedicated personnel necessary to perform the following services. The proposal shall describe in detail how the proposer intends to accomplish each of the services below.

B. Business Organization

1. Provide an overview of the financial institution's location that would be the primary facility to service the School District. The overview should include the financial institution's ability to cash payroll checks, service daily deposit needs, lobby and drive through hours of availability, night drop depository services and safety deposit box availability.
2. In addition, provide the locations and hours of availability of the other branches in the Iowa City area that may be accessed by Iowa City Community School District employees, primarily for the deposit of cash amounts and cashing of payroll checks.
3. Provide an annual audited financial statement for the past two years. This may be made available in electronic version.
4. Provide references of at least two (2) public sector clients; and two (2) private sector clients. If your bank has an insufficient number of public sector clients, substitute private sector client references. In either case, the most useful references will be those for customers with transaction volumes similar to the School District.

C. Services

1. Depository Services –

- a. The School District requires the depository bank and all its branches to cash payroll checks for the employees of the School District on a walk-in basis as necessary. Will the organization be able to facilitate that service?
- b. Will there be a fee for those employees to cash payroll checks if they are non-account holders at the financial institution?
- c. What is the cut-off time to ensure same day ledger credit?
- d. Do you require that checks and currency be on separate deposit tickets?
- e. Do you accept loose and/or rolled coin for deposit at the branch and at the night drop?
- f. How do you determine and calculate availability of deposited items? Indicate or attach the Bank's availability schedule.
- g. Can return items be automatically re-deposited? What is the notification process on those items?
- h. What documentation is provided with deposit correction adjustments? And within what timeframe?
- i. The financial institution shall have the ability to research questions related to activity in this account and to provide timely information to the School District's staff. How long does it take the financial institution to provide copies or documentation for a research request?

2. Automated Clearing House (ACH) Services – The successful proposer must have and maintain ACH originating bank capabilities directly with the Federal Reserve. The School

District originates at least two direct deposit files per month with normal payroll dates of the 15th and last day of each month.

- a. The School District expects to receive notification, preferably via e-mail, of ACH debits or credits to their accounts. What is the capability and timing of such notifications?
 - b. Does the bank use transaction or file dollar limits? If so, is the customer informed of its limit? What procedures are followed when the customer submits a file that exceeds the limit?
 - c. What are the bank's cut-off times for customer initiation of ACH transactions? File? Fund Transfer?
 - d. Describe the security procedures used to verify accurate and secure receipt of transmissions.
 - e. How does the organization handle file and item reversals and deletions?
 - f. What are the hardware/software requirements?
 - g. Is the financial institution's ACH application accessible through the Bank's Internet based on-line banking system?
 - h. What training is provided for software installation and use? Is the training in person or via the telephone?
 - i. Can the School District build a data base of repetitive transactions? If so, which party maintains the database? How much lead time is required to set up a new repetitive transfer?
 - j. Does the financial institution offer ACH debit filter/block services? How do you handle receipt of entries from unauthorized entities?
 - k. Can you stop payment of individual ACH transactions? Describe the procedure.
3. Information Reporting Services – the financial institution's information reporting system must be Internet Based.
- a. What are the hours of access of the information reporting system?
 - b. Does the organization provide current day information? How frequently is this information updated throughout the day? Provide a list of transaction types available on your current day reports
 - c. Describe the level of detail provided in previous and current day reports and provide examples of balance and transaction reports.
 - d. Discuss the features of your inquiry capabilities. Does the system offer the ability to inquire about specific transaction types?
 - e. How many days of history can be accessed through the system? Provide sample reports. Does the system provide for history inquiry by date ranges?
 - f. Does the system have the ability to provide the customer with a download of historical data?

- g. What other banking services are available through the system? For example, does the system support funds transfer initiation? ACH services? Remote Deposit Services? Reconciliation Services, etc?
 - h. Does the financial institution provide all of the services associated with this product, or does a third party provide any of the services? If third parties are used, describe which services are provided by the vendors(s) and the name(s) of the vendor(s).
 - i. Can access to account information be segregated by user? By account? By type of activity?
 - j. The School District requires the ability to initiate stop payments on-line, as well as immediate acknowledgement that the stop payment was accepted by the Bank'
 - k. What security procedures does the organization use to protect access to customer data (hardware/software, physical)?
 - l. What are the organization's disaster recovery procedures? How quickly can back-up facilities be activated?
4. Wire Transfer Services – the School District requires that the organization handle requests for wire transfers in an expeditious manner, and the organization must be able to provide that service via an electronic system to initiate the wire transfers.
- a. Describe the organization's method for processing, approval and release of wire transfers through the on-line banking system and via the telephone. Can secondary authorizations be established?
 - b. Can the financial instituion establish a repetitive wire transfer on-line?
 - c. What are the processing times for outgoing domestic wire transfers through the on-line banking system and via telephone?
 - d. How late are incoming domestic wire transfers posted to the School Districts account?
 - e. How soon after execution of the wire would an internal confirmation number be available?
 - f. How soon after execution would the Fed Reference number be available?
 - g. Does the wire transfer system have the capability of warehousing instructions for future value dated wire transactions? If so, how far in advance can the wires be initiated?
 - h. Does the organization charge for storage of the repetitive wire transfer templates?
 - i. Can user password/PIN number restrict that employee to certain function, such as: repetitive only, data entry only, approve only, dollar limits?
 - j. What contingency plans does the organization have for backup in the event of equipment (hardware) or system (software) failure?
 - k. Does the organization have off-site backup for disaster recovery?

5. Sweep Services - The School District may request a sweep account to optimize the investment return on account balances. Please describe your services related to sweep accounts. Provide return history for the previous 6 months.
 - a. Describe options or other overnight investments that may be available to the School District.
 - b. What method or formula does the financial institution use to determine the interest credited to this account?
6. Remote Deposit Services
 - a. What types of scanners are available for use by the School District? What are the costs associated with each scanner? Is there an option to lease the equipment? What are the system requirements for the scanners and related software?
 - b. What is the cutoff time to receive same day ledger credit for the daily electronic deposit?
 - c. What is the availability schedule for the remotely deposited items?
 - d. Does your service include the ability to customize a memo field for each scanned item?
 - e. Can you deposit into multiple accounts? If yes, please indicate additional fees that may apply.
 - f. What timeframe is the School District required to keep the deposited items?
 - g. How long can the images of the deposited items be accessed on-line?
 - h. Are there limited times the School District can send the deposits to the financial institution?
7. Account Reconciliation Services
 - a. The School District shall be able to receive/download computerized detail of paid check information that will integrate with our financial software system. The School District would like to automatically download to a PC paid check information that would match against checks issued through our accounting system.
 - b. The School District is interested in having images made of paid checks and made available via electronic means. Any additional information the Bank wishes to share regarding capabilities may be done so here.
 - c. The district may choose to utilize positive pay/full reconciliation to reduce the possibility of check fraud. Describe your organization's on-line image positive pay system, including information transfer requirements and software/hardware requirements.
8. Account Statements/Analysis/Compensation
 - a. The School Districts requires bank statements to be cut on the last banking day of each month. What is the normal delivery date for business cycle statements?

- b. What is the normal delivery for the account analysis statements?
- c. What is the earnings credit formula for account balances? What were the earnings credit rates for the most recent three months?
- d. Does the financial institution charge for use of uncollected funds? If so, how is the charge calculated? What is the current overdraft/uncollected funds assessment rate?
- e. Is there a fee or other assessment for FDIC insurance? If so, how does the bank calculate the charge?
- f. Can the customer decide how the balances in its accounts will be grouped for purposes of compensation, e.g., assessed individually or at the relationship level?
- g. When calculating average balances are positive and negative balances netted?

9. Implementation

- a. Describe a conversion plan to transfer banking services of the Iowa City School District to your organization?
- b. What lead time do you expect will be necessary before the conversion begins and what is the expected conversion time?
- c. Indicate your plans for educating and training the School District's employees in the use of your systems

10. Other Services – Describe any other services not listed above that will be needed to meet the specifications of this RFP and will result in bank charges. **Be sure to indicate any applicable fees on the fee spreadsheet, or the assumption will be made that the School District will not incur any fees for the service.**

11. The following table provides an estimate of the number of transactions per month from District accounts:

Account maintenance	7-10 accounts
Account statements	7-10 accounts
Deposits**	400-600
Deposit items**	2500-4000
ACH origination (from payroll)	1800-2500
ACH (from outside organizations)	30-40
Wire Transfers	5-10

**Activity fund account has numerous deposits per month with varying number of transactions in each deposit as these deposits are derived from student clubs and activities and athletic events.