

REQUEST FOR PROPOSALS

ISSUE DATE: January 22, 2021

TITLE: **BANKING SERVICES**

ISSUING DEPARTMENT: Davie County Schools
Finance Department
220 Cherry Street
Mocksville, NC 27028

PERIOD OF CONTRACT: **May 1, 2021 – June 30, 2025**

Sealed Proposals will be received until **February 17, 2021 at 12:00 p.m.** for furnishing the services described herein.

All inquiries for information concerning the scope of services, proposal submission requirements, or procurement procedures should be directed to:

Clay Harris
Chief Finance Officer
Phone: 336-751-5921, ext. 1008
Email: harrisc@davie.k12.nc.us

IF PROPOSALS ARE MAILED AND/OR HAND DELIVERED, SEND DIRECTLY TO THE ISSUING DEPARTMENT ABOVE.

In compliance with this Request for Proposals and to all the Terms and Conditions imposed herein, the Undersigned offers and agrees to furnish the services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiations.

Name and Address of Financial Institution

By: _____
Name

Signature

Title: _____

Phone: _____

Date: _____

Email: _____

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I. Introduction

The initiation of the Request for Proposal (RFP) process is intended to result in the selection of a financial institution, herein referred to as “Bank”, that can provide the Davie County Board of Education, herein referred to as “Board”, with the highest quality and most flexible services for the lowest cost to the public. The Board desires that bank balances be continuously and fully invested for the benefit of the Board. The Board is requesting that each respondent competitively bid its services by type of service, propose an arrangement whereby daily uninvested cash balances are invested on behalf of the Board, and propose the most equitable method of establishing applicable investment rates.

II. Proposal Provisions

- A. The Board requests proposals for the banking services described in this RFP. The award period is to begin May 1, 2021 and end June 30, 2025. A copy of this RFP can be provided via email upon request.
- B. Proposals must be received in the Davie County Board of Education’s Finance Department by 12:00 p.m. on February 17, 2021. Any proposals received after this time will not be opened or considered. All proposals received become the property of the Board. The proposal envelope must be sealed and marked on the outside “Proposal for Banking Services”. The envelope must also show the name and address of the company and representative submitting the bid. Proposals should be addressed to Clay Harris, Chief Finance Officer, Davie County Board of Education, Finance Department, 220 Cherry Street, Mocksville, NC 27028. Three (3) copies of the proposal should be submitted and signed by a bank official who is authorized to make the proposal on behalf of the Bank.
- C. The Board reserves the right to waive any informalities in the proposals received, to reject any and all proposals or any item or combination of items.
- D. The cost associated with the preparation of the proposal rests solely with the candidate. The Board will not incur any costs associated with the proposals.
- E. The Bank must meet the qualifications under the State Treasurer’s Pooling Method of collateralization as shown in the North Carolina Administrative Code (NCAC), Title 20, Chapter 7. Any bank that uses the Dedicated Method of collateralization should complete an application for the State Treasurer’s Office to convert to the Pooling Method. Before your response to this RFP will be considered, the Board requires proof of the application.

- F. The Board requests that the Bank answers all questions in this RFP. Please do not leave a question blank. Answer yes or no to “Agree to Provide” questions. Any charges for the following requests not listed in the comments section will be considered as included in the base bid. If additional room is needed for comments, please include an attachment with reference to each question or section.
- G. All services will be evaluated on availability, time schedules, reporting, and interest rates. All proposals will be evaluated as follows:
1. Financial strength and capacity of the financial institution;
 2. Ability to provide needed services in an efficient and responsive manner;
 3. Ability to provide all services requested by the Board;
 4. Ability to provide optional services requested; and
 5. Overall cost.

III. Terms and Conditions

- A. The term of the contract between the Board and the Bank will be four plus years in length. The contract will begin on May 1, 2021 and end on June 30, 2025. If the Bank and the Board are unable to establish contract terms to the Board’s satisfaction by March 30, 2021, the Board will select another Bank.
- B. The Board reserves the right to cancel the contract and withdraw, without penalty, its accounts at any time it becomes evident that accurate and efficient service is not being provided as contracted. This would occur only after an attempt has been made to resolve the deficiencies and after written notification has been given to the Bank ninety (90) days prior to this action.
- C. The services or compensation set forth in this agreement may be modified at any time during its term upon written mutual agreement.
- D. The Bank will respond to the Board’s independent auditor’s confirmation requests within ten (10) working days of the receipt of the request.
- E. The Board does not guarantee that the activity levels as indicated in this proposal will continue at the same level during the award period.
- F. The Bank must be a member of the Federal Deposit Insurance Corporation.
- G. The Bank must use the Pooling Method of collateralization of public deposits as stated in the NCAC, Title 20, Chapter 7.

- H. The Bank shall comply with all applicable federal, state, and local laws, including but not limited to rules and regulations promulgated by or stated in: the Local Government Commission; North Carolina General Statute 115C-443, which stipulates the classes of securities in which Board deposits may be invested; and North Carolina General Statute 159-31, which requires security for deposits in amounts sufficient to protect the Board. Noncompliance with this section shall be considered a material breach.
- I. If, at the expiration of the original term, the Board has not awarded a new agreement for banking services, this agreement shall continue until terminated by either party upon ninety (90) days written notice. All terms shall remain in effect except for an adjustment in the compensation balance, upon written mutual agreement.

IV. Requested Banking Services

The Board maintains four accounts through our current Bank. The information provided below gives a brief description of the four accounts.

Current Expense: The account by which substantially all the Board's local banking transactions occur. The Board uses this account for both Accounts Payable and Payroll vouchers and assigns a different check sequence for each. This account is interest bearing.

Flexible Spending: A holding account into which the Board completes deposits for employee flexible spending benefits. Ameriflex debits the account electronically throughout the year for employee incurred expenses. No vouchers are written from this account. This account is non-interest bearing.

Payroll ACH account: This account is solely utilized for our monthly ACH payroll transactions. The money deposited to this account will be pulled to make the Payroll ACH payments. This account is non-interest bearing.

Clearing Account: This account is utilized for a broad range of transactions. Our monthly benefit payments are completed and processed through this account. The County office locally maintained accounts are included in this account as well as our At Risk grants and PreK funds tuition and some operating expenses. This account is non-interest bearing.

There are additional accounts for our schools and the School Nutrition enterprise fund. We have 11 school accounts and 1 School Nutrition account, with site indicators for each cafeteria operation. We also have a Short Term Investment Funds (STIF) account with the State Treasurer that we will need a channel to deposit funds into that account.

1. Account Requirements

- A. Cash balances referred to above will be invested in instruments meeting the requirements of North Carolina General Statute 159-30.

Agree to Provide: _____

Comments: _____

- B. The Board requires the use of the Pooling Method of collateralization for public deposits in excess of the FDIC \$100,000 coverage. Indicate that the Bank is a Pooling Method financial institution.

Agree to Provide: _____

Comments: _____

- C. All methods presented to invest cash balances have been approved by the Local Government Commission as acceptable for school systems, meeting both legal and safekeeping requirements.

Agree to Provide: _____

Comments: _____

- D. The Bank will allow the account to be drafted as requested by the Board for State and Federal agencies.

Agree to Provide: _____

Comments: _____

2. Banking Supplies & Remote Deposit

- A. The Bank will provide all necessary banking transaction items such as deposit slips, night deposit bags, and coin and currency wrappers as required. Also, provide the necessary equipment to do remote (online) check deposit.

Agree to Provide: _____

Comments: _____

3. Processing Procedures

- A. The Bank shall give all deposits received by 5:00 p.m. credit as good ledger balance funds for the same day.

Agree to Provide: _____

Comments: _____

- B. The available funds or collected balance will be determined by the following maximum clearing schedule:

Same Day: Cash, wire transfers, ACH items, transfers between accounts and items drawn on Bank.

Next Day: Items on local institutions and warrants.

Other items will follow the Federal Reserve Availability Schedule.

Agree to Provide: _____

Comments: _____

- C. All checks returned for uncollected or insufficient funds must be presented twice before debiting the Board's account.

Agree to Provide: _____

Comments: _____

- D. The Board would like to receive same day notification when an item has been returned due to errors, uncollected or insufficient funds.

Agree to Provide: _____

Comments: _____

- E. Bank-generated debits and credits must be forwarded to the Accounting Department of the Board the next business day. Duplicate copies must be sent on all ACH debits and credits related to Payroll items.

Agree to Provide: _____

Comments: _____

- F. The Bank should provide a secure, internet-based banking package that allows authorized Board employees to issue stop payments and check balances of accounts. Requests should

be processed the same day. As a backup, the Bank will provide the Board with alternate procedures to issue stop payments and will process requests on the same day.

Agree to Provide: _____

Comments: _____

G. Research items (lost check, deposits, etc.) will be furnished within 48 hours of the request.

Agree to Provide: _____

Comments: _____

4. Wire Transfers and ACH

A. The Bank must maintain wire transfer facilities to the Federal Reserve Bank and, on a same-day basis, conduct electronic wire transfers of funds for both outgoing and incoming wire transfers.

Agree to Provide: _____

Comments: _____

B. The Bank must maintain ACH facilities to the Federal Reserve Bank and, on the effective date provided by the Board, conduct electronic transfers of funds for both outgoing and incoming ACH items.

Agree to Provide: _____

Comments: _____

- C. All incoming wires and ACH credits received prior to the Federal Reserve deadline will be considered collected funds in the Board's account for that business day.

Agree to Provide: _____

Comments: _____

- D. The Bank should provide a secure, internet-based banking package that can be used to initiate and process account transfers, wire transfer and ACH items including any related payroll tax deposits, federal or state, from authorized Board employees. As a backup, the Bank will provide the Board with alternate procedures to process these requests.

Agree to Provide: _____

Comments: _____

- E. The Bank's deadline for accepting outgoing wire transfer and ACH items should be no earlier than 12:00 p.m. Please state the deadline for both.

Agree to Provide: _____

Comments: _____

- F. The Bank will trace from origin to destination all wire transfers ordered by 12:00 p.m. and not received by the destination party by 3:00 p.m. and also ascertain the identity of the party responsible for delaying the transfer.

Agree to Provide: _____

Comments: _____

- G. The Bank will trace from origin to destination all ACH items initiated by the Board and not received by the Board or destination party the next business day and also ascertain the identity of the party responsible for delaying the transfer.

Agree to Provide: _____

Comments: _____

- H. The Bank will be responsible for any loss sustained by the Board as a result of the Bank's failure to transfer funds as instructed; however, in such a case, liability shall extend only to the resulting direct loss, and not to any consequential special loss or damages.

Agree to Provide: _____

Comments: _____

5. Direct Deposits

- A. The Board currently provides direct deposit of its employees' payroll checks. The Bank should provide this capability and assist the Board in the implementation of this process. A complete disclosure of the processing requirements should be provided.

Agree to Provide: _____

Comments: _____

6. Monthly Statements/Account Analysis/Reconciliation Services

- A. The Bank shall deliver, within ten (10) calendar days after the end of each month, a detailed itemized statement showing date and amount of each transaction, including check number (if applicable).

Agree to Provide: _____

Comments: _____

7. Online Banking Requirements

- A. The Bank is to provide a secure, internet-based banking package that allows authorized Board employees to access account information. The Bank should assist the Board in setup and training of the package.

Name of Package: _____

Agree to Provide: _____

Comments: _____

- B. The system should allow the Board to verify wire transfer/ACH debits and credits and access all associated detail received by the Bank regarding these items.

Agree to Provide: _____

Comments: _____

8. Positive Pay Service

- A. The Board would like to have the ability to provide positive pay services for the Board's Accounts Payable and Payroll check batches for fraud prevention purposes. Accounts

Payable batches are run three to four times a week, and Payroll batches are run twice a month. Please provide details and all costs for the Bank's positive pay program.

Bank is able to provide this service? _____

V. Optional Services Requested

The following requests are included in the proposal to gather information only. Do not include costs associated with these requests in your compensation proposal. Final determination on whether to proceed with any of these optional services will depend on potential savings, reduced administrative work, additional earnings, or improved benefits to the Board, schools, or employees. The ability to provide the following optional services may have an impact on the Board's selection of a Bank.

The Board would like the Bank to provide an offer of banking services for individual schools and their cafeterias. The Board requests this offer remain in effect for the duration of the agreement period. Please include any online banking services available and the costs of such services. This offer would apply to the individual schools and other programs such as school nutrition and Pre-K and not to any other organization associated with the Board or schools.

Bank is able to provide this service? _____

VI. Compensation

The Board will compensate the Bank by either the holding of a non-interest-bearing time deposit at the Bank or through the payment of direct fees. The Bank may use one or both of the compensation methods.

Compensation Balance Required: \$ _____

Comments: _____

