BID FORM

FOR
DEPOSITORY SERVICES BY
_____ INDEPENDENT SCHOOL DISTRICT

All questions in this form should be answered and provided to the District as the Depository's bid.

The District reserves the right to reject any and/or all bids and if any portion or provision of this bid and/or any contract between Depository and District entered into is invalid, the remainder at the option of the District shall remain in full force and effect and not be affected.

BANK COMPENSATION

Does the District have the option to pay for Depository services by targeted balances or by fees? Please describe any differences in related costs to the District with either option. If the District chooses one option for the life of the contract, is there a difference in service fees?

Target Balance Compensation Basis:
The District may choose to pay for Depository services on a compensating balance basis, maintaining a targeted amount of its funds in the Depository. The District will maintain balances in the checking accounts to compensate the Depository in full or in part for services provided. Earnings credit for these balances shall be reflected on the monthly account analysis provided to the District.

Any excess collected balance may be invested daily by the Bank as directed by the District, in a District approved overnight investment, an interest bearing account, or an SEC registered money market mutual fund. The overnight investment and any index upon which the rate will be based should be listed below.

The rate history at the Depository for the months beginning MM/YY and ending MM/YY was:

ECR Rate: _____%
Interest Bearing Accounts: _____%
Money Market Accounts: _____%
Sweep Accounts: _____%

[Alternatively, the District may have the Depository complete the information by month according to Attachment A, Bank Historical Information.]

If any of these rates is based on an index rate (such as the T-Bill auction rate) stipulate the index calculation basis.

Fee Basis Compensation:
The District may choose to pay for Depository services on a straight fee basis in which no targeted balance will be maintained by the District. Fees will be assessed and paid in accordance with the Depository's proposed fees as listed on Attachment A.

DISTRICT INVESTMENTS

The District reserves the right to purchase, sell and invest its funds and funds under its control, including bond funds, as authorized by the Government Code, Chapter 2256, Public Funds Investment Act, and in compliance with the District's Investment Policy, a copy of which is attached as Attachment C [or alternatively, provide the link to the investment policy on the District's web site].

[District chooses to insert language of Option A or Option B]

Option A

The District may choose to invest in time deposits at the Depository, but all investments including CDs are bid competitively at the time of purchase.

Option B

The District may choose to invest in time deposits at the Depository. The Depository will pay interest on funds of the District placed in time deposits with maturities chosen by the District. The interest rate spread on such deposits should be indicated as above, below or equal to the "asked" yield on the comparable maturity T-Bill of the proposed time deposit being purchased as reported in an independent, financial source.

Single Maturity Time Deposits of more than $100,000:

MATURITY	Basis point spread over (+)/under (-) T-Bill "asked" yield [District-specified rate]
7 -- 29 Days	_____
30 -- 59 Days	_____
60 -- 89 Days	_____
90 -- 179 Days	_____
180 -- 364 Days	_____
365 Days or More	_____

COLLATERALIZATION

The Depository must provide either corporate surety bonds or pledged securities as per Texas Education Code §45.201. Please specify which method the Depository will use for collateralization of District funds.

Collateral Conditions
The Depository shall provide collateral equal to 102% of all District time and demand deposits plus accrued interest minus applicable FDIC coverage. Collateral will be pledged to the District and held in an independent safekeeping institution by a custodian or permitted institution as specified by the Public Funds Collateral Act (Texas Government Code, Chapter 2257). [Alternatively, the District may specify any limitations on its preferred custodial arrangement.] The Depository will be liable for monitoring and maintaining the collateral and the required margin at all times and will provide original safekeeping notice and a monthly

report of the collateral to include the security description, par amount, cusip, and market value, at a minimum.

The Depository and District shall execute a collateral agreement in accordance with FIRREA. A sample Collateral Agreement should be attached as Attachment D.

The District estimates its maximum anticipated collateral requirement to be $_____.

[If voluntary collateral pooling is legislated during the period of this contract, the District may consider and agree to its use under this contract with mutual agreement of the Depository.]

Eligible Collateral

The District will accept only approved securities as specified by Texas Education Code §45.201 as pledged collateral.

[Alternatively, the District may require specific collateral in accordance with its Investment Policy. A reference to the District's Investment Policy would be included in that case. In that case, the following paragraph would be used instead:

The District will accept only the following as pledged collateral in accordance with its Investment Policy attached as Attachment C:

list items here]

BANKING SERVICES FEES

Based on the Depository services required by the District, the Depository shall complete the proposed fee schedule, Attachment A.

DEPOSITORY INFORMATION

Please answer the following questions concerning the Depository.

1. State full name and address of the Depository and any parent holding company. List all branch locations within the District's boundary.

2. Provide the UPBR reference or annual audited financial statement for the most current fiscal year. This may be in printed form, but an electronic link to the web site(s) is preferable. Members of Depository holding companies must include corporate annual financial statements and the individual Depository's call report for the most recent operating quarter.

3. State the Depository's rating from an independent Depository rating agency or, if not available, the rating on the Depository's senior and subordinate debt. Any change in this rating during the period of the contract must be communicated to the District in a reasonable period of time.

4. Contact Information

   To insure smooth contract implementation and continuation of services, a specific account executive and a back-up must be assigned to the District account to coordinate services and expedite the solution of any problem encountered.

   a. Designate a Depository officer as a primary contact with the District.

   Name_____
   Title _____
   Telephone # _____
   Fax # _____
   E-Mail _____

   b. Designate a Depository representative as a backup contact with the District.

   Name_____
   Title _____
   Telephone # _____
   Fax # _____
   E-Mail _____

   c. In the event the primary and backup contacts aren't available, what is the District's procedure for an emergency contact? After hours?

   d. Describe in detail how the Depository handles problem resolution, customer service, day-to-day contact, and ongoing maintenance for governmental clients. Please be specific about exactly whom the District will be calling and working with for the above described situations.

5. List references from at least three of the Depository's current, comparable governmental clients. Include the length of time under contract, a client contact, title, and telephone number.

6. Based on the services required by the District, please provide a proposed timeline for implementation of the contract including the timeline activities and direct responsibilities of the District and the Depository during implementation.

7. Provide a copy of all agreements (including those not directly referenced in this RFP) which will be required to be executed under the contract.

8. The Depository awarded the contract will be required to review the then-current District Investment Policy and certify in writing to that review in accordance with the Public Funds Investment Act certifying that the Depository has sufficient controls in place to avoid transactions not authorized by the Policy. [Specify one: The District has attached its investment policy to this RFP notice *or* The District has provided a link to the investment policy on the District's web site.]

BANKING SERVICES

1. Consolidated Account Structure with Sweep Mechanism

The District is interested in earning at then-current interest rates available at all times. The District wants the option to use an automated, daily sweep to a money market mutual fund or Depository alternative account (if competitive) to reach its full investment goal. [District option: A repurchase agreement is not acceptable as a sweep investment vehicle.]

The District's current account structure is listed as Attachment B. The District does not guarantee that the balances will be maintained at these same levels.

The Depository shall clearly describe the Depository's most cost effective account structure (interest bearing accounts, ZBA accounts, or sweep, etc.).

a. Fully describe the proposed account structure. Would a sweep be from a master account with ZBAs or directly swept from the individual accounts? Is interest distributed at the account level?
b. State the average interest rate on the recommended alternative structure for the past twelve months.
c. If an SEC registered money market fund is utilized for the sweep proposal, provide the full name and a copy of the prospectus.
d. Interest earned on interest bearing accounts shall not be charged as an expense on the account analysis. Confirm acceptance of this condition.

The District may be required or may desire to open additional accounts, close accounts, or change account types during the contract period. If this occurs, the new accounts and services shall be charged at the same contracted amount or, if unanticipated, at not more than published rates.

2. Automated Cash Management Information

The District is interested in automated balance and detail information. Minimum automated services shall include [specify District requirements]:

- prior day summary and detail balance reporting on all accounts
- intra-day detail and summary balances (on local main and payroll accounts)
- initiation and monitoring of stop pays
- positive pay exception transactions
- initiation and monitoring of internal and wire transfers
- image access
- controlled disbursement presentment totals

a. Fully describe the Depository's on-line service. List the system capabilities (i.e. balance reporting, wires, positive pay, stop pay, etc.).
b. What is the Depository's back-up process to provide balance reporting and transactions in case of system non-availability?
c. When is daily balance information available?
d. Submit samples of major screens available or provide web link access to a demonstration module.

e. How are individual security sign-ons assigned and who maintains the security module? How many levels of security are available?
f. With regard to controlled disbursements—
   -- What is the cutoff time for disbursements?
   -- What Federal Reserve location do these accounts clear through?
   -- How does the District have access to this information?

3. Deposit Services
Standard commercial deposit services are required for all accounts.

The District expects all deposited checks to clear based on the Depository's current published availability schedule, but any expedited availability options should be noted in the bid. All cleared deposits received by the Depository's established deadline must be processed for same day ledger credit. Failure to credit District accounts in a timely fashion will require interest payment reimbursement to the District at the then-current effective Fed Funds rate.

a. What is the Depository's daily cut-off time to assure same day ledger credit?
b. Describe how and when credit/debit advices are sent to the District?
c. What type deposit bags are used/required? Are these available from the Depository?
d. In what city does item processing occur?

Remote Deposit
The District is interested in establishing remote check deposit for a few high volume locations during the contract period. These deposits include both consumer and commercial checks.

e. What are the Depository's current capabilities in remote check deposit? Describe how checks are processed and cleared. Please state the cut-off time for same-day ledger credit.
f. Give two comparable references with contact information.
g. Is a daily balancing report produced? Provide a sample.
h. What scanner equipment is required to operate the system? Is this equipment available through the Depository on a purchase or lease basis? Please list the equipment required along with its cost.

4. Standard Disbursing Services
The District is interested in positive pay services for designated accounts.

a. Does the Depository image all checks and deposits?
b. Are check and deposit images available on-line? When? Is a CD provided monthly? If not, are reports downloadable?
c. How long are check and deposit images maintained on-line?
d. Are all District checks paid without charge upon presentation?

5. Positive Pay

The District is interested in positive pay services for designated accounts on which checks are written. The positive pay process should be fully automated and web based. Check information will be transmitted electronically to the Depository on each check run and as manual checks are created.

a. Describe the data transmission/transfer requirements for automated and manual checks.
b. Is input available online for manual checks? If not on-line, how is information on individual manual checks transmitted to the Depository?
c. How can check records be changed or deleted by the District, if necessary?
d. How is the District to be notified of a positive pay exception?
e. At what time is exception information reported to the District? At what time is the deadline for District exception elections? Are images of exceptions available?
f. Are all checks, including those received by the tellers and vault, verified against the positive pay file before processing? How often is teller information updated?
g. Does the Depository offer payroll positive pay?
h. Please provide a copy of the Depository's file layout format.

6. Account Reconciliation

The District anticipates use of partial or full reconciliation services on all accounts in concert with positive pay, dependent upon cost effectiveness.

a. Describe the partial and full reconciliation processes.
b. With what format(s) does the Depository's system interface? What record formats are required? [As an alternative, the District can specify its interface format for the Depository to determine compatibility.] How is reconciled data sent to the District? When?
c. Specify all reporting alternatives.
d. Are reports available online? How long are reports maintained online? Provide a sample copy of reports.

7. Funds Transfer and Wire Services

Incoming wire transfers must receive immediate same day collected credit. Wire initiation should be available online. The District requires that wires be released the same business day if information is provided by the established deadline.

a. Describe the process of online wire initiation. What back-up process is available for the on-line process in case of system unavailability?
b. Is any paper transaction required for transfers or wires as follow-up?
c. How and when will the Depository notify the District of incoming wires? Online? E-mail?
d. Is future dating available for both repetitive and non-repetitive wires and transfers? How far in advance?
e. What is the deadline for initiation

   -- by telephone?

   -- on-line?
f. Are templates available for repetitive transfers?

8. Optical Imaging
The District desires optical images which are downloadable or on CD on all accounts.

a. What items and reports are available on-line (checks, statements, deposit slips, deposited items, etc.)?
b. What items are captured on the monthly CD, if provided?
c. When are the monthly CD or imaged reports available?
d. When and how long are statements and account analyses available on-line?

9. ACH Services
The District expects to move toward more ACH transactions for payable and receivable transactions. The District requires a pre-notification (pre-note) on all new transactions.

a. Describe the transmission alternatives for individual ACH transactions. Is the District able to initiate individual ACH transactions on line?
b. What filters and blocks are available on District accounts for ACH transactions?
c. Are ACH addenda shown in their entirety on-line and on reports?
d. What is the Depository's policy on pre-notification? Is the pre-note charged as a standard ACH transaction?
e. What is the deadline for transmission (hour and day) for a payroll to credit employee accounts on a Friday?

10. Investments and Safekeeping Services
The Depository will be required to provide book-entry safekeeping services for any securities owned by the District. All District investments will be made by the District and instructions for clearing and safekeeping will be transmitted to the Depository in writing.

All securities must be cleared on a **delivery versus payment (DVP)** basis and ownership documented by original clearing confirmations and safe-keeping receipts provided within one business day of the transaction. Funds for investments will be drawn from a designated District DDA account. All P&I payments, coupon payments, and maturities must receive automated same day collected credit on the District designated account without requiring any additional District action.

If the Depository is not a member of the Federal Reserve or a federal home loan bank and utilizes a correspondent bank for safekeeping of District securities, the transactions will be handled through the Depository's systems and shall not require additional interaction by the District with the correspondent bank. No delay in transactions, wires or flow of funds will be acceptable under a correspondent relationship.

a. Is the Depository a member of the Federal Reserve or a federal home loan bank? If not, name the correspondent Depository to be used for clearing and safekeeping. Describe any safekeeping arrangement proposed with a correspondent Depository including processing requirements by the District.
b. Are security transactions available on-line for either origination or monitoring?
c. What is the deadline for settlement instructions on a cash (same day) settlement? Is there any charge incurred for late instructions?

The District may choose to purchase time deposits from the Depository, but all time deposits will be competitively bid at the time of purchase.

11. Collateral Requirements

All the requirements, including those beyond the Public Funds Collateral Act, as stated in the District's Investment Policy and below, must be met by the Depository. The bid must state agreement to the following terms and conditions.

- All collateral pledged to the District must be held by a custodian or permitted institution as specified by the Public Funds Collateral Act (Texas Government Code, Chapter 2257) [Alternatively, the District may specify any limitations on its preferred custodial arrangement per its Investment Policy.]
- A tri-party safekeeping agreement shall be executed between the District, the Depository, and the safekeeping bank for custody of pledged securities in full compliance with FIRREA requiring a Depository resolution. (Or completion of Circular 7 if the Federal Reserve is acting as custodian. Use of the FRB will still require a depository agreement be executed between the District and the Depository.)
- All time and demand deposits above FDIC coverage shall be collateralized at a minimum of 102% of principal plus accrued interest at all times (110% on mortgage backed securities.)
- The Depository shall be contractually liable for the continuous monitoring and maintaining of collateral at the District's required margin levels.
- Pledged collateral shall be evidenced by original safekeeping receipts/report sent directly to the District by the custodian within one business day of receipt.
- The District shall receive a monthly report of collateral pledged including description, par, market value and cusip, at a minimum.
- Substitution rights shall be granted if the Depository obtains the District's prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping.

Authorized collateral includes only approved securities as specified by Texas Education Code §45.201. [Alternatively, the District may specify any limitations on its preferred collateral requirements as stated in its Investment Policy.]

a. Does the Depository propose any collateral charges? If so, under what conditions are they charged and how is the charge applied?
b. What is the Depository's deadline for requesting collateral in excess of existing requirements?

12. Account Analysis

Monthly account analysis reports should be provided for each account and on a consolidated account basis.

a. When is the analysis available each month?
b. Is the account analysis available online? Is it imaged monthly?
c. Are paper statements also sent to the District? If so, when?
d. How long will it take the Depository to correct any billing errors on account analysis?

13. Monthly Statements
The Depository must provide monthly account statements on all accounts with complete supporting documentation.

a. State when monthly statements will be available each month.
b. Is the monthly statement available online? If so, when and how long? Are the statements imaged or on a CD?
c. If imaged, are paper statements also sent to the District? If so, when?

14. Overdrafts
a. Are all accounts aggregated for overdraft calculation purposes?
b. State the rate basis for intra-day and inter-day overdrafts.
c. What is the policy for daylight overdrafts?

15. Stop Payments
An automated stop pay process is desired.

a. What are the time period options available for stop pays?
b. What are the time period options for extended stop pay periods? How is it extended?
c. What is the cut-off hour for same day action on stop pays?
d. Can stop pay orders be initiated on-line? If so, is there any paper follow-up document required?
e. What information on current and expiring stop pays is available on-line?

16. Customer Service
Does the Depository offer customer services in languages other than English? What languages are offered?

17. Service Enhancements
Based on the information provided in the RFP and your firm's knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that should be considered for further improving the effectiveness of the District's treasury management operations.

OPTIONAL SERVICES

1. NSF Checks Represented as ACH (RCK)

The District may want the option of the second presentment to be made by ACH to targeted dates for maximum collection potential.

a. Is the Depository currently using ACH for collection of NSF checks? How long has the Depository been providing this service? Provide two comparable references with contact information.
b. How are the NSF and the later ACH matched/reconciled? Does the Depository system cross reference the two transactions in any way?
c. Is the NSF information, image, or occurrence available on-line? When and how? How long is it available online?
d. Can the District specify any target pay day(s)?

2. Merchant Services.

The District currently accepts Visa/MasterCard/American Express/Discover/debit card payments approximating $_____ in collections a month with an average ticket size of $_____. There are _____ (specify number) locations with _____ (specify number) terminals. [Alternatively: The District is interested in possibly accepting credit card payments for various activities.] The service should include daily capture, transmission and authorization of payments at point-of-sale and on the web. Reporting would be required by location.

The District can and does comply with PCI Standards. [Insert this statement if District is capable.]

a. Does the Depository currently offer merchant card processing services? How long has this service been available? What interface format(s) does the Depository's system supply?
b. How many institutions and end customers do you have?
c. Describe the fee components of a merchant card processing relationship. Provide a list of all the fees to the District. State the association fees, discount rates, and the Depository's fee per transaction.
d. Does the Depository have software available for implementation which allows on-line payments to the District through the Depository's portal?
e. Describe the reporting functions and data availability.
f. Detail billing options.
g. Describe the authorization method/process used. How are incorrect authorizations reversed?
h. Describe your debit card processing capabilities. Do you identify between debit and credit cards on BIN number? Can you program a debit card to the lowest cost network?
i. Describe your transmission process. Describe the monitoring and notification process if transmissions fail.
j. Is data imaging available on line? What is available online? When? For how long?
k. Describe the dispute resolution process.
l. Describe your security measures for internet transactions and unauthorized use.

3. Payroll Cards/Debit Cards

The District is exploring the use of stored value cards (payroll card/debit card) as a payroll option for employees at a minimum. Card holders should have the ability to use the cards for purchases at point of sale as a debit card as well as cash withdrawals at financial institutions and ATMs.

The purchasing ability of the cards must be limited to the stored value of the card. The District may choose to not pay for access fees for the employees issued the stored value cards.

The District will be responsible for any marketing of the program and has total discretion on the distribution of the cards. The District will enroll the employees. The Depository is required to provide card holders with all processing and transaction information and reports. Services expected from the Depository would include, at a minimum:

- embossing, encoding and distributing standard cards as directed by District
- provision of paper/electronic statements to cardholders
- administration of accounts to include maintenance of accounts, application of funds, authorization of transactions, related tracking
- customer service functions

a. Does the Depository currently provide this service? If so, how long has it been available?

b. How many institutions and end customers use the service? Provide three comparable references for the service.

c. Which program (authorization marks) does your program use? (Visa, MC, etc.)

d. Describe the enrollment process. Is enrollment batched and web-based?

e. Describe the manner by which funds will be made available to the card-holders.

f. What are the inactivity levels for the program? Do these generate additional fees? Describe any other potential fees.

g. Are all funding transmissions by standard ACH? Describe the data transmission requirements and deadlines.

4. Purchasing Cards

The District may consider a purchasing card program during the contract period. Cards would be assigned to District employees for defined use.

a. What card platforms does the Depository support (MC, Visa)? Is a third party processor used?

b. What, if any, information is available on-line? When? Describe data download and integration capabilities. Describe reporting capabilities

c. What client support is available? How is it provided?

d. Describe the diverse parameters and restrictions available for the card control. How many access levels are available?

e. Discuss settlement and corporate liability terms. Include information on Depository support for the program, the Depository's experience, settlement terms on payment, security procedures, and license requirements. How will billing be received?

f. Describe how cards are issued, deleted or replaced. How are lost/stolen cards handled?

g. Provide three comparable references for the service.

List of schedules/attachments provided by District:

Copy of District audited financial statements [or link to web site]
Attachment A, Volumes for Pricing Transactions (filled in with volumes)
Attachment B, District's Current Account Structure
Attachment C, District Investment Policy [or link to web site]

List of schedules/attachments to be provided by Depository:

The following information must be included with the bid:

Copy of Depository audited financial statements [or link to web site]
Corporate audited financial statements and the individual Depository's call report (for members of Depository holding companies) [or link to web site]
UPBR reference
Attachment A, Volumes for Pricing Transactions (filled in with rates)
Sample Account Analysis Statement and User's Guide (if applicable)
Attachment D, Sample Collateral Agreement (if applicable)
Any agreements (including those not directly referenced in this RFP) which will be required to be executed under the contract (if applicable)
Samples of major screens or web access for automated cash management (if applicable)
Sample daily balancing report for Remote Deposit (if applicable)
Sample account reconciliation reports (if applicable)

Optional Acknowledgements [insert as required by District preference]

The Depository confirms that interest earned will not be charged on the account analysis.

If awarded the contract, the Depository will be required to review the then-current District Investment Policy and certify in writing to that review in accordance with the Public Funds Investment Act certifying that the Depository has sufficient controls in place to avoid transactions not authorized by the Policy.

The Depository accepts the investment options and/or collateral conditions as specified in the District's Investment Policy.

By virtue of the bid submission, the Proposer acknowledges agreement with and acceptance of all provisions of the specifications except as expressly qualified in the bid.

Firm: _____

Address: _____

City/State/Zip: _____

Phone No: _____

Fax No: _____

Email Address: _____

Typed Name: _____

Date: _____