

Request for Proposal Notice

**for Depository Services by
Crosby Independent School District
706 Runneburg Rd., Crosby, TX 77532**

Crosby Independent School District is soliciting proposals from banks to serve as a depository to assist with the banking functions for funds of the district.

Introduction

In accordance with the Texas Education Code (TEC), Chapter 45, Subchapter G, School District Depositories, the Board of Trustees of the district will select a depository through soliciting proposals for a depository services contract for a term of two years beginning July 1, 2017 and ending June 30, 2019 or until a successor depository is selected, qualified, and agrees to a depository agreement based on either fees or compensating balances.

The district and the depository may agree to extend this contract for two additional two-year terms in accordance with the TEC, §45.205. This section requires that the contract and any extension of this contract coincide with the district's fiscal year. If the district changes its fiscal year, the term of the contract may be shortened or extended no more than one year by mutual agreement to coincide, provided that this contract remains in effect until its successor is selected and has been qualified. If the parties cannot agree, the district has the option to change the term of this contract.

The legal provisions providing for naming a depository of the district are set forth in the TEC, Subchapter G, School District Depositories, §§45.201 through 45.209. Investments by the district are governed by the Texas Government Code (TGC), Chapter 2256, Public Funds Investment. Securities pledged as collateral to secure district deposits are governed by the TGC, Chapter 2257, Collateral for Public Funds.

Bank Questions

There will not be a preproposal conference. Questions regarding this proposal request, or the services requested, will be accepted in written or email form only, at the address above on or before 2:00 pm on May 10, 2017. Responses to all material questions submitted will be communicated in writing or by email to all known interested banks by 2:00 pm on May 12, 2017.

Proposal Submission

To be eligible for consideration under this request, the bank must submit three complete paper copies of each proposal by 2:00 pm CST on May 17, 2017 to the address below. The district will not accept proposals received after that time. Late submissions to the district address will be returned unopened.

The proposal must be submitted in a sealed envelope or packet marked "Depository Services." An accompanying transmittal letter must be signed by a person authorized to bind the institution, state that the proposal is valid for 180 days from the submission date, and give full contact information regarding the proposal.

Request for Proposal Notice for Depository Service

The proposals must be delivered by US mail, express mail, or in person to:

Attn: Meredith Nelson
Crosby ISD
706 Runneburg Rd.
Crosby, TX 77532

All questions in the attached uniform proposal blank should be answered and provided to the district as the bank's proposal.

The bank must attach a cashier's check in the sum of \$2,500.00 payable to the district. If any portion of this contract is awarded to the bank, the check will be returned to the bank. If the bank fails to execute the contract in a reasonable time, the district will cash the check as liquidated damages. If the proposal is not accepted, the check will be returned to the bank immediately after contract award.

The district can also provide this proposal request electronically upon request.

Evaluation Process

The district will use the following criteria to evaluate the proposal and award the contract:

- 15 % - Cost of services (charges for keeping district accounts, records, and reports and for furnishing checks)
- 5 % - Additional services offered (purchasing card, payroll card, lease rate, other)
- 5 % - Funds availability schedule
- 15 % - Automated services offered
- 10 % - Ability of the bank to provide the necessary services and perform the duties as depository. Experience in providing depository services to similar accounts (strength of project team)
- 20 % - Collateralization policy and type of third-party institution holding collateral
- 20 % - Fraud prevention and notification policy
- 5 % - Interest rates offered on time deposits
- 5 % - Other — Specify: Smart Safes
- 100 % - Total

The district reserves the right to reject any or all proposals and to accept the proposal the district considers most advantageous. If any portion or provision of this proposal and any contract between the depository and district entered into is invalid, the remainder, at the option of the district, must remain in full force and effect and not be affected. Acceptance of a proposal will be based on the total package of services offered by the bank.

Legislative Change

Changes in the law that may be enacted by the Texas Legislature, in session, could alter the scope of requirements as stated in this document. The proposal should conform to all statutes in effect at the time of proposal opening.

Schedule for Selection Process

The district will make every effort to adhere to the following schedule:

Request for Proposal Notice for Depository Service

05/02/17	Release of Request for Proposal (RFP)
05/10/17	Deadline for questions concerning the RFP or services requested
05/12/17	Responses given to any questions provided to all known interested banks
05/17/17	Deadline for proposal submission
06/19/17	District Board award of contract
07/01/17	Contract commencement

Other Requirements

The following requirements must be met:

1. The bank selected as the depository will notify the district in writing within 10 days of any changes in federal or state regulations or laws that would affect the depository agreement.
2. The depository's records relating to the district's accounts must be open to review by the district, its independent auditors, and the Texas Education Agency.
3. The district reserves the right to pay for depository services by targeted balances or by fees.
4. The district reserves the right to exclude direct payroll deposit service from the depository contract if the bank does not offer direct payroll deposit service.

District Rights

The district reserves the right to:

- waive any defect, irregularity, or informality in the proposal or proposal procedures;
- reject any and all proposals;
- accept any proposal or portion thereof most advantageous to the district;
- request additional information or require a meeting with bank representatives for clarification;
- cancel, revise, or reissue this request for proposal or any portions of it,
- negotiate any conditions;
- retain all other provisions even if any provision of the proposal is determined invalid;
- modify deadlines; and
- select any proposal considered to be in its best interest as determined by the district.

Simple Example:

**Attachment B
District's Current Account Structure**

The district presently maintains accounts as listed below. The district reserves the right to open additional accounts or to close accounts during the term of the depository contract.

<u>Type of Account</u>	<u>Number of Accounts</u>	<u>Interest-Bearing/ Non-Interest-Bearing</u>
General Operating	1	IB
Payroll	1	IB zero balance checking
Worker's Comp	1	NIB
Activity	1	IB
Finance Clearing	1	IB zero balance checking
Construction	1	IB checking
Debt Service	1	IB
Food Service	1	IB checking

Complex Example:**Attachment B
District's Current Account Structure****VOLUMES**

<u>Type of Account</u>	<u>Average Number of Items</u>	<u>Average \$ Amount of Items</u>
Payroll		
Semimonthly checks	110	
Semimonthly direct deposit	880	
Monthly payroll		\$3,400,000
Accounts Payable		
Monthly checks or payments	490	\$1,300,000
Food Service		
Daily deposits	1	\$2,000
Deposits		
Daily deposits	115	
Student Activity (Number of accounts)		
High School (deposit only)	1	
Middle School (deposit only)	1	
Elementary School (deposit only)	5	
Other - Athletics	1	

ACCOUNT STRUCTURE

<u>Type of Account</u>	<u>Number of Accounts</u>	<u>Description of Accounts</u>
Controlled Disbursement	2	Payroll, Accounts Payable
Positive Pay	2	Payroll, Accounts Payable
Food Service	1	Depository Account — individually identified by campus
Checking	8	1 Operating; 1 Payroll; 1 Worker's Comp; 1 Activity; 1 Finance Clearing; 1 Construction; 1 Debt Service; 1 Food Service

Proposal Form

for Depository Services
by Crosby Independent School District

Definitions and Instructions

In this document, the terms “you” and “your” refer to the depository bank, and “we,” “our,” and “us” refer to the district named above.

You must answer all questions in this form and provide it to us as your proposal.

We have the right to reject any proposal. If any part of this proposal or any contract entered into between you and us is invalid, the remainder, at our option, remains in force and is not affected.

Bank Compensation

Do we have the option to pay for your services by targeted balances or by fees? Please describe any differences in related costs to us with either option. If we choose one option for the life of the contract, is there a difference in service fees?

Compensation Based on a Targeted Balance

We may choose to pay for your services by maintaining a targeted amount of our funds in the depository. We will maintain balances in the checking accounts to compensate you in full or in part for services provided. You must provide a monthly account analysis that reflects the earnings credited for these balances.

You may invest any excess collected balance daily as directed by us in an overnight investment that we approve, an interest bearing account, or a money market mutual fund registered with the Securities and Exchange Commission (SEC). Please list below the overnight investment and any index upon which the rate will be based.

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

Earnings Credit Rate (ECR):	_____	%
Interest Bearing Accounts:	_____	%
Money Market Accounts:	_____	%
Sweep Accounts:	_____	%

[Alternatively, the district may require the depository bank to complete the information by month according to Attachment A, Historical Information about the Bank.]

If any of these rates is based on an index rate (such as the T-Bill auction rate), stipulate how you will use the index to calculate the rate.

Compensation Based on Fees

We may choose to pay for your services on a straight fee basis in which we will not maintain a targeted balance. You will assess fees, and we will pay them in accordance with your proposed fees as listed on Attachment A, Volumes for Pricing Transactions.

District Investments

We reserve the right to purchase, sell, and invest our funds and funds under our control, including bond funds, as authorized by the Texas Government Code, Chapter 2256, Public Funds Investment Act, and in compliance with our investment policy, a copy of which is attached as Attachment C *[alternatively, the district may provide the link to the investment policy on the district's website]*.

We may choose to invest in time deposits at the depository, but all investments including certificates of deposit are bid competitively at the time of purchase.

Collateral

You must provide either corporate surety bonds or pledged securities in accordance with the Texas Education Code (TEC), §45.208. Please specify which method you will use as collateral for our funds.

Collateral Conditions

You must provide collateral equal to 102 percent of all our time and demand deposits plus accrued interest minus applicable Federal Deposit Insurance Corporation (FDIC) coverage. Collateral will be pledged to us and held in an independent safekeeping institution by a custodian or permitted institution as specified by the Texas Government Code, Chapter 2257, Public Funds Collateral Act. You will be liable for monitoring and maintaining the collateral and the required margin at all times and will provide an original safekeeping notice and a monthly report of the collateral including at least the security description, par amount, cusip, and market value.

You and we must execute a collateral agreement in accordance with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). Provide a sample collateral agreement as Attachment D, Sample Collateral Agreement.

We estimate our maximum anticipated collateral requirement to be \$10,000,000.00.

If voluntary collateral pooling is legislated during the period of this contract, you and we may consider it and agree to use it under this contract.

Eligible Collateral

We will accept only approved securities as specified by the TEC, §45.201, as pledged collateral.

Banking Services Fees

Based on the services we require from you, complete the proposed fee schedule, Attachment A, Volumes for Pricing Transactions.

Depository Information

Please answer the following questions about your depository bank.

1. State the full name and address of the depository and any parent holding company. List all branch locations within our boundary.
2. Provide the Uniform Bank Performance Report (UPBR) reference or annual audited financial statement for the most current fiscal year. This may be in printed form, but we prefer an electronic link to the website. Members of your holding companies must include corporate annual financial statements and your individual call report for the most recent operating quarter.
3. State your rating from an independent depository rating agency or, if that rating is not available, the rating on your senior and subordinate debt. You must inform us of any change in this rating during the period of the contract within a reasonable period.

4. Contact Information

To ensure smooth communication and continuation of services, you must assign a specific account executive and a backup to our account to coordinate services and help solve any problem encountered.

- a. Designate a depository officer as a primary contact with us.

Name _____
 Title _____
 Telephone # _____
 Fax # _____
 Email _____

- b. Designate a depository representative as a backup contact with us.

Name _____
 Title _____
 Telephone # _____
 Fax # _____
 Email _____

- c. If the primary and backup contacts are not available, how do we contact someone in an emergency? After hours?
 - d. Describe in detail how you handle problem resolution, customer service, day-to-day contact, and ongoing maintenance for governmental clients. Please be specific about exactly whom we will be calling and working with for the situations described above.
5. List references from at least three of your current, comparable governmental clients. Include the length of time under contract and a client contact, title, and telephone number.

6. Based on the services we require, please provide a proposed timeline for implementing the contract; include the timeline activities and direct responsibilities of both our district and your depository bank during implementation.
7. Provide a copy of all agreements (including those not directly referenced in this proposal) that will be required under the contract.
8. If we award the contract to you, you must review our then-current district investment policy and certify in writing to that review in accordance with the Public Funds Investment Act verifying that you have sufficient controls in place to avoid transactions not authorized by the policy. We have provided a link to our investment policy on our website.

<http://crosby.esc11.net/cms/lib6/TX02216626/Centricity/Domain/57/Crosby%20ISD%20Investment%20Strategy.pdf>

9. We may conduct a preaward interview on-site at your depository bank before awarding the contract. Please provide us with a contact name for arranging the preaward interview.
10. Are you offering any transition or retention incentive to us? If so, please describe it in detail

Banking Services

1. Consolidated Account Structure with Sweep Mechanism

We are interested in earning at then-current interest rates available at all times. We want the option to use an automated, daily sweep to a money market mutual fund or depository alternative account (if competitive) to reach our full investment goal. We will not accept a repurchase agreement as a sweep investment vehicle.

Our current account structure is listed as Attachment B, District's Current Account Structure. We do not guarantee that we will maintain the balances at these same levels.

You must clearly describe your most cost-effective account structure (interest bearing accounts, zero balance accounts [ZBAs], 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 12 months.
- c. If an SEC-registered money market fund is used for the sweep proposal, provide the full name and a copy of the prospectus.
- d. Interest earned on interest bearing accounts must **not** be charged as an expense on the account analysis. Confirm acceptance of this condition.

We 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 must be charged at the same contracted amount or, if unanticipated, at not more than published rates.

2. Automated Cash Management Information

We are interested in automated balance and detail information. Minimum automated services must include the following:

- prior-day summary and detail balance reporting on all accounts
 - intraday detail and summary balances (on local main and payroll accounts)
 - initiation and monitoring of stop payments
 - positive pay exception transactions
 - initiation and monitoring of internal and wire transfers
 - image access
 - controlled disbursement presentment totals
- a. Fully describe your online service. **List** the system capabilities (for example, balance reporting, wires, positive pay, stop payment, etc.).
 - b. What is your backup process to report balances and transactions in case the system is not available?
 - 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 is an individual security sign-on 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 do we have access to this information?

3. Deposit Services

We require standard commercial deposit services for all accounts.

We expect all deposited checks to clear based on your current published availability schedule, but please note any options for expedited availability in your proposal. For all cleared deposits you receive by your established deadline, you must process them for same-day ledger credit. If you fail to credit our accounts in a timely fashion, you must pay interest to us at the then-current effective federal funds rate.

- a. What is your daily cutoff time to ensure same-day ledger credit?
- b. Describe how and when you send credit and debit advices to us.
- c. What type of deposit bags do you use or require? Are these available from you?
- d. In what city does item processing occur?

Remote Deposit

We are 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 your current capabilities in remote check deposit? Describe how checks are processed and cleared. Please state the cutoff time for same-day ledger credit.
- f. Give two comparable references with contact information.
- g. Do you produce a daily balancing report? Provide a sample.
- h. What scanner equipment is required to operate the system? Is this equipment available through your depository bank for purchase or lease? Please list the equipment required along with its cost.

4. Standard Disbursing Services

We are interested in standard disbursing services for designated accounts.

- a. Do you image all checks and deposits?
- b. Are check and deposit images available online? When? Do you provide a monthly compact disc (CD)? If not, are reports downloadable?
- c. How long do you maintain check and deposit images online?
- d. Do you pay all our checks without charge upon presentation?

5. Positive Pay

We are interested in positive pay services for designated accounts on which checks are written. The positive pay process should be fully automated and web based. We will transmit check information electronically to you on each check run and as we create checks manually.

- a. Describe the data transmission and transfer requirements for automated and manual checks.
- b. Is input available online for manual checks? If it is not available online, how do we transmit information on individual manual checks to you?
- c. How can we change or delete check records, if necessary?
- d. How do you notify us of a positive pay exception?
- e. When do you report exception information to us? When is the deadline for our 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 do you update teller information?
- g. Do you offer payroll positive pay?
- h. Please provide a copy of your file layout format.

6. Account Reconciliation

We anticipate using partial or full reconciliation services on all accounts in concert with positive pay, depending on cost effectiveness.

- a. Describe the partial and full reconciliation processes.
- b. With what format(s) does your system interface? What record formats are required? How do you send reconciled data to us? 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. We require 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 backup process is available for the online process in case the system is unavailable?
- b. Is any paper transaction required for transfers or wires as follow-up?
- c. How and when will you notify us of incoming wires? Online? Email?
- d. Is future dating available for both repetitive and nonrepetitive wires and transfers? How far in advance?
- e. What is the deadline for initiation:
 - by telephone?
 - online?
- f. Are templates available for repetitive transfers?

8. Optical Imaging

We desire optical images that are downloadable or on CD on all accounts.

- a. What items and reports are available online (checks, statements, deposit slips, deposited items, etc.)?
- b. What items are captured on the monthly CD, if provided?

- c. When do you make the monthly CD or imaged reports available?
- d. When and for how long are statements and account analyses available online?

9. Automated Clearinghouse (ACH) Services

We expect to use more ACH transactions for payable and receivable transactions. We require a prenotification (prenote) on all new transactions.

- a. Describe the transmission alternatives for individual ACH transactions. Can we initiate individual ACH transactions online?
- b. What filters and blocks are available on our accounts for ACH transactions?
- c. Are ACH addenda shown in their entirety online and in reports?
- d. What is your policy on prenotification? Is the prenote 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

We will require you to provide book-entry safekeeping services for any securities we own. We will make all our investments and transmit instructions for clearing and safekeeping to you in writing.

All securities must be cleared on a **delivery versus payment (DVP)** basis. Ownership must be documented by original clearing confirmations, and safekeeping of receipts must be provided within one business day of the transaction. Funds for investments must be drawn from our designated demand deposit account. All principal and interest payments, coupon payments, and maturities must receive automated same-day collected credit on our designated account without requiring any additional action by us.

If you are not a member of either the Federal Reserve or a Federal Home Loan Bank and you use a correspondent bank for safekeeping our securities, the transactions must be handled through your systems and must not require additional interaction by us with the correspondent bank. No delay in transactions, wires, or flow of funds is acceptable under a correspondent relationship.

- a. Are you a member of either the Federal Reserve or a Federal Home Loan Bank? If not, name the correspondent depository you would use for clearing and safekeeping. Describe any safekeeping arrangement proposed with a correspondent depository including processing requirements by us.
- b. Are security transactions available online for either originating or monitoring?
- c. What is the deadline for settlement instructions on a cash (same-day) settlement? Would we incur any charge for late instructions?

We may choose to purchase time deposits from you, but all time deposits will be competitively bid at the time of purchase.

11. Collateral Requirements

You must meet all the requirements, including those beyond the Public Funds Collateral Act, as stated in our investment policy and below. The proposal must state that you agree to the following terms and conditions:

- All collateral pledged to us must be held by a custodian or permitted institution as specified by the Texas Government Code, Chapter 2257, Public Funds Collateral Act.
- We, you, and the safekeeping bank must execute a triparty safekeeping agreement for custody of pledged securities in full compliance with the FIRREA requiring a depository resolution. (Or completion of Circular 7 if a Federal Reserve bank is acting as custodian. Even if a Federal Reserve bank is used, you and we must still execute a depository agreement.)
- All time and demand deposits above FDIC coverage must be collateralized at a minimum of 102 percent of principal plus accrued interest at all times (110 percent on mortgage-backed securities).
- You are contractually liable for continuously monitoring and maintaining collateral at our required margin levels.
- The custodian must provide evidence of pledged collateral by sending original safekeeping receipts or a report directly to us within one business day of receipt.
- We must receive a monthly report of collateral pledged including description, par, market value, and cusip, at a minimum.
- We must grant substitution rights if you obtain our 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 the TEC, §45.201.

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

12. Account Analysis

You should provide monthly account analysis reports for each account and on a consolidated account basis.

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

13. Monthly Statements

You 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 for how long? Are the statements imaged or on a CD?
- c. If imaged, are paper statements also sent to us? If so, when?

14. Overdrafts

- a. Are all accounts aggregated for overdraft calculation purposes?
- b. State the rate basis for intraday and interday overdrafts.
- c. What is the policy for daylight overdrafts?

15. Stop Payments

We desire an automated stop payment process.

- a. What are the time period options available for stop payments?
- b. What are the options for extended stop payment periods? How are they extended?
- c. What is the cutoff hour for same-day action on stop payments?
- d. Can we initiate stop payment orders online? If so, do you require any paper follow-up document?
- e. What information on current and expiring stop payments is available online?

16. Customer Service

Do you offer customer services in languages other than English? What languages are offered?

17. Service Enhancements

Based on the information you provide in the proposal and your knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that we should consider to manage our treasury operations more effectively.

18. Smart Safe

We are interested in Smart Safes for our campuses and district offices.

Optional Services

1. Payroll Cards or Debit Cards

We are exploring the use of stored-value cards (payroll cards or debit cards) as a payroll option for employees at a minimum. Cardholders should be able to use the cards as debit cards for purchases at point of sale as well as for cash withdrawals at financial institutions and automated teller machines.

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

We will be responsible for any marketing of the program and have total discretion on the distribution of the cards. We will enroll the employees. You must provide cardholders with all processing and transaction information and reports. We expect the following services from you, at a minimum:

- embossing, encoding, and distributing standard cards as directed by us
 - providing paper and electronic statements to cardholders
 - administering accounts, including maintenance of accounts, application of funds, authorization of transactions, and related tracking
 - customer service functions
- a. Do you 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, MasterCard, 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 cardholders.
 - 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.

2. Purchasing Cards

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

- a. What card platforms do you support (MasterCard, Visa)? Do you use a third-party processor?
- b. What, if any, information is available online? 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 your support for the program and your experience, settlement terms on payment, security procedures, and license requirements. How will we receive billing?

- f. Describe how cards are issued, deleted, or replaced. How do you handle lost or stolen cards?
- g. Provide three comparable references for the service.

4

Schedules and Attachments

We provide the following:

- Link to our audited financial statements:

<http://crosby.esc11.net/cms/lib6/TX02216626/Centricity/Domain/57/Crosby%20ISD%20Final%20AR%202016.pdf>

- Attachment A, Volumes for Pricing Transactions (filled in with volumes)
- Attachment B, District's Current Account Structure
- Attachment C, link to District Investment Policy:

<http://crosby.esc11.net/cms/lib6/TX02216626/Centricity/Domain/57/Crosby%20ISD%20Investment%20Strategy.pdf>

You must include the following information with the proposal:

- copy of your audited financial statements *[or link to website]*
- corporate audited financial statements and the individual depository's call report (for members of your holding companies) *[or link to website]*
- Uniform Bank Performance Report 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 proposal) that must be executed under the contract (if applicable)
- screen shots of major pages within your automated cash management system, or web access (if applicable)
- sample daily balancing report for remote deposit (if applicable)
- sample account reconciliation reports (if applicable)

Optional Acknowledgments

You confirm that you will not charge interest earned on the account analysis.

If awarded the contract, you must review our then-current district investment policy and certify in writing to that review in accordance with the Public Funds Investment Act verifying that you have sufficient controls in place to avoid transactions not authorized by the policy.

You accept the investment options and/or collateral conditions as specified in our investment policy.

By submitting this proposal, you acknowledge that you agree with and accept all specifications in the proposal except as you expressly qualified in the proposal.

Bank: _____

Address: _____

City, State, Zip: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

Typed Name: _____

Date: _____

ATTACHMENT A

ISD name: Crosby ISD _____

District-Provided
 Historical Information
 (to be completed by the district and provided to banks)

Average Ledger Balance			Explanatory Notes, if applicable
Month		Dollars	
February-16		\$1,335,484	
January-16		\$1,244,065	
December-15		\$1,550,825	
November-15		\$1,570,714	
October-15		\$1,334,925	
September-15		\$1,975,715	
August-16		\$1,711,971	
July-16		\$1,104,403	
June-16		\$1,576,712	
May-16		\$1,634,664	
April-16		\$1,426,089	
March-16		\$858,282	

Average Collected Balance			Explanatory Notes, if applicable
Month		Dollars	
February-15		\$1,160,543	
January-15		\$1,068,536	
December-14		\$1,890,099	
November-14		\$1,284,089	
October-14		\$1,258,848	
September-14		\$1,578,321	
August-15		\$1,835,392	
July-15		\$1,342,560	
June-15		\$1,542,405	
May-15		\$1,397,994	
April-15		\$1,451,077	
March-15		\$850,234	

ATTACHMENT A

ISD name: Crosby ISD _____

District-Provided
 Historical Information
 (to be completed by the district and provided to banks)

Merchant Services (Credit Cards)	Avg Ticket Size	Estimated Volume	Explanatory Notes, if applicable
Month	Dollars	Dollars	
February-09			Not Applicable
January-09			We do not currently use Credit Cards
December-08			
November-08			
October-08			
September-08			
August-08			
July-08			
June-08			
May-08			
April-08			
March-08			

Purchasing Cards	Estimated Volume	Estimated Volume	Explanatory Notes, if applicable
Month	Transactions	Dollars	
February-09			Not Applicable
January-09			We do not currently use Purchasing Cards
December-08			
November-08			
October-08			
September-08			
August-08			
July-08			
June-08			
May-08			
April-08			
March-08			

ATTACHMENT A

ISD name: _____

Bank-Provided
 Historical Information
 (to be completed by the bank and provided to district)

ECR Rate				Explanatory Notes, if applicable
Month			%	
February-09				
January-09				
December-08				
November-08				
October-08				
September-08				
August-08				
July-08				
June-08				
May-08				
April-08				
March-08				

Interest Bearing Accounts				Explanatory Notes, if applicable
Month			%	
February-09				
January-09				
December-08				
November-08				
October-08				
September-08				
August-08				
July-08				
June-08				
May-08				
April-08				
March-08				

ATTACHMENT A

ISD name: _____

Bank-Provided
 Historical Information
 (to be completed by the bank and provided to district)

Money Market Accounts				Explanatory Notes, if applicable
Month			%	
February-09				
January-09				
December-08				
November-08				
October-08				
September-08				
August-08				
July-08				
June-08				
May-08				
April-08				
March-08				

Sweep Accounts				Explanatory Notes, if applicable
Month			%	
February-09				
January-09				
December-08				
November-08				
October-08				
September-08				
August-08				
July-08				
June-08				
May-08				
April-08				
March-08				

Simple Example:

**Attachment B
District's Current Account Structure**

The district presently maintains accounts as listed below. The district reserves the right to open additional accounts or to close accounts during the term of the depository contract.

<u>Type of Account</u>	<u>Number of Accounts</u>	<u>Interest-Bearing/ Non-Interest-Bearing</u>
General Operating	1	IB
Payroll	1	IB zero balance checking
Worker's Comp	1	NIB
Activity	1	IB
Finance Clearing	1	IB zero balance checking
Construction	1	IB checking
Debt Service	1	IB
Food Service	1	IB checking

Complex Example:**Attachment B
District's Current Account Structure****VOLUMES**

<u>Type of Account</u>	<u>Average Number of Items</u>	<u>Average \$ Amount of Items</u>
Payroll		
Semimonthly checks	110	
Semimonthly direct deposit	880	
Monthly payroll		\$3,400,000
Accounts Payable		
Monthly checks or payments	490	\$1,300,000
Food Service		
Daily deposits	1	\$2,000
Deposits		
Daily deposits	115	
Student Activity (Number of accounts)		
High School (deposit only)	1	
Middle School (deposit only)	1	
Elementary School (deposit only)	5	
Other - Athletics	1	

ACCOUNT STRUCTURE

<u>Type of Account</u>	<u>Number of Accounts</u>	<u>Description of Accounts</u>
Controlled Disbursement	2	Payroll, Accounts Payable
Positive Pay	2	Payroll, Accounts Payable
Food Service	1	Depository Account — individually identified by campus
Checking	8	1 Operating; 1 Payroll; 1 Worker's Comp; 1 Activity; 1 Finance Clearing; 1 Construction; 1 Debt Service; 1 Food Service

Texas School Depository Surety Bond Form

Bond Number _____

**I.
Guarantee**

1. Under all the terms and conditions of this bond, _____ (referred to in this document as *the Surety Company*) and _____ (referred to in this document as *the Bank*) agree that:
 - a. the Bank will pay a premium to the Surety Company and
 - b. the Surety Company will guarantee the deposits in certain Designated Depository Accounts in the Bank, in excess of the \$250,000.00 deposit insurance provided by the Federal Deposit Insurance Corporation (FDIC).
2. The Surety Company must promptly reimburse the Owner(s) of a Designated Depository Account or Accounts (referred to in this document as *the Owner*) up to a limit of liability as specified in Section III of this bond if the Bank becomes insolvent and fails.
3. "Becomes insolvent and fails" means that either:
 - a. the Bank must be taken over by a regulatory authority, either state or federal, and ordered liquidated or
 - b. the FDIC must sell the Bank's deposits in such a manner that the FDIC refuses to sell or reimburse the deposits in excess of the \$250,000.00 deposit insurance.

**II.
Designation of Account Owner and Depository Account(s)**

Designated Owner of the Depository Account(s):

[_____ *Independent School District (ISD)*].

Address of the Owner:

Designated Depository Account Number(s):

[List Various Depository Accounts in the Name of _____ ISD]

**III.
Limit of Liability**

The Surety Company's total liability under this bond is \$ _____ [written dollar amount
xxxxxxxx], which is the maximum guaranteed amount. Regardless of the number of Owners and the
number of Designated Depository Accounts, the maximum amount of payment under this bond must not
exceed \$ _____ [xxxxxxxx].

**IV.
Payment of Loss**

If the Bank should be declared insolvent and fail, the Surety Company must pay the Owner of the
Designated Depository Account(s) for which this bond has been issued the amount that the receiver's
certificate indicates to be uninsured by the FDIC. The amount of the payment is limited to the maximum
guaranteed amount specified in Section III of this bond. This bond does not cover any indirect or
consequential damages or loss. The Surety Company must pay the Owner promptly upon receiving
assignment of the receiver's certificate from the Owner or upon demand.

**V.
Termination or Cancellation**

This bond becomes effective at 12:01 a.m. on _____ [date] and remains in effect until
terminated or canceled for any of the following reasons:

1. The Surety Company cancels the bond for nonpayment of the annual premium 15 days after
notifying the Bank of the nonpayment and impending cancellation.
2. The Owner notifies the Surety Company in writing of the Owner's desire to cancel the bond, and
the Surety Company cancels the bond immediately.
3. The Surety Company desires to cancel the bond for reasons allowed by the laws of Texas.
 - a. The Surety Company sends a written notice by facsimile transmission, hand delivery, or
certified mail, return receipt requested to the Bank and to the Owner's address as shown on
this bond. The notice is considered effective upon receipt by the parties to whom the notice is
addressed.
 - b. The cancellation is effective 90 days after the notice is effective.
4. This bond is automatically terminated if all funds in the Designated Depository Account(s) listed
in Section II of this bond are withdrawn, the account(s) are closed, or both.

If this bond is canceled or terminated, the Surety Company has no obligation to make any payment to any
Owner.

VI.
Responsibility of the Bank

It is understood and agreed that this bond is for and on behalf of the Bank to enable the Bank to protect the Owner of its Designated Depository Account(s). All designations of accounts are the complete responsibility of the Bank. The Surety Company's liability to the Owner begins upon the declaration of insolvency and failure of the Bank, and not before that event. In addition, under the Texas Education Code, §45.208, the Surety Company and the Bank agree that the Bank must:

1. faithfully perform all duties and obligations required by law,
2. pay on presentation all checks or drafts ordered according to law by the district's board of trustees,
3. pay on demand any demand deposit in the Bank,
4. pay any time deposit of the school district after the required notice period expires,
5. faithfully keep the school district funds and account for the funds according to law, and
6. faithfully pay over to any successor depository all balances remaining in the accounts of the Bank.

VII.
Consolidation or Merger

This bond becomes void at 12:01 a.m. on the date the Bank consolidates with or merges into any other bank or financial institution. The Bank must notify the Surety Company and the Owner 90 days before any consolidation or merger of the Bank's intention to merge into another bank or financial institution. Any deposits in the Designated Depository Account(s) in excess of the \$250,000.00 FDIC deposit limit must be guaranteed by a new bond or other means as authorized by Texas law at the time of the consolidation or merger.

**VIII.
Sole Use and Benefit**

This bond is for the sole use and benefit of the Owner. This bond is nonnegotiable and may not be assigned under any circumstances by the Owner or any other person, entity, or holder. The Bank may not be considered an agent or representative of the Surety Company for any purpose in connection with this bond.

Signed, sealed, and dated this _____ day of _____, _____.

[*Bank*]
(Address)
(Phone)

[*Surety Company*]
(Address)
(Phone)

By _____

By _____

Title _____

Title _____

Acknowledgment

Acknowledged before me in _____ County, Texas, on _____, 20 __, by _____, officer of the Bank named in the preceding document, for the Bank, and by _____, officer of the Surety Company named in the preceding document, for the Surety Company.

(SEAL)

Signature of Notary

Notary Public in and for _____
County, Texas
My Commission Expires _____

Surrender of Bond Form

By signature below of the Owner, the Owner gives notice to the Surety Company of the Owner's desire to cancel Bond Number _____ in its entirety.

By _____

Date _____

OR

Surrender of Bond for Reissuance Form

By signature below of the Owner, the Owner gives notice to the Surety Company of the Owner's desire to cancel Bond Number _____ in its entirety, on the condition that another similar bond is issued with the following listed Owner, Owner address, Designated Depository Account Number(s) and limit of liability:

Requested Designated Depository Account Owner:

Address of Requested Designated Owner:

Requested Designated Depository Account Number(s):

Requested Limit of Liability:

By _____

Date _____