



Treasury Management &
Banking Partnerships

Kelly Wolski, VP Relationship Manager

Fifth Third Bank

April 25-26, 2023

Importance of Banking Partnerships

- Regular communication is key:
 - Ability of bank to respond to government's needs
 - Ability of government to effectively use services offered by bank
 - Info sharing for awareness of new technology available for a government's needs: account protections and payments automation as examples.

Banking & Funds Management

- Active, Inactive and Interim Funds
- Depositories
 - Depository designation reviewed at least once every five years.
 - Excellent opportunity to go out for bid/RFP for banking services.
 - Carefully analyze depository bids to select banking partners.
 - All eligible depositories may be designated



**CITY OF PATASKALA, OHIO
REQUEST FOR PROPOSAL**

**DEPOSITORY & BANKING SERVICES
FOR ACTIVE DEPOSITS**

And/Or

**DEPOSITORY SERVICES FOR
INTERIM DEPOSITS**

The City of Pataskala is soliciting **SEALED** proposals for banking services and cash management services for a period of not less than five (5) years. The purpose of this RFP process is to obtain high-quality requisite depository and banking services at a competitive price.

The selected institution shall be designated as the City's depository for an initial two-year term commencing January 1, 2014. The depository agreement shall contain an automatic annual renewal clause that may be used in the three (3) following years, thereby providing for five (5) years of depository and banking services. The agreement may be cancelled at the end of each annual period upon 60 days written notice by either party prior to the close of that annual period.

The City of Pataskala also invites banking institutions to make application to be a public depository for interim deposits according to the requirements of this RFP.

Copies of the RFP document can be obtained at City Hall beginning on October 9, 2013. Signed proposals should be submitted to the attention of the Director of Finance, City of Pataskala in a sealed envelope. **PROPOSALS ARE DUE BY 3:00 P.M. on Tuesday, November 5, 2013.**

Please include one original and three copies. Questions or requests for clarification may be directed to Mr. James M. Nicholson, Director of Finance, at (740) 964-6274 or email address at jnicholson@ci.pataskala.oh.us.

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

RFP PROCEDURES & PROCESS

RFP Schedule & Key Dates

October 10, 2013	Advertisement listed in The Columbus Dispatch
October 9, 2013	Release of RFP
October 23, 2013	Non-mandatory bank pre-bid meeting (9:00 a.m.)
November 1, 2013	Cut-off for inquiries (2:00 p.m.)
November 5, 2013	Due date for sealed responses to RFP (3:00 p.m.)
Nov-Dec, 2013	Proposal evaluations completed, Resolution passed, agreements executed
January 1, 2013	Effective date of new Bank agreement

Verbal Communication

Verbal communication from any City of Pataskala employee concerning this RFP is non-binding on the City and shall, in now way, alter a specification, term or condition of this RFP.

The City shall conduct a non-mandatory, bank pre-bid meeting on Wednesday, October 23, 2013 at 9:00 a.m. in the Administrator's Conference Room. Information discussed at the meeting pertaining to the RFP will be summarized and sent to bidders who have requested an RFP.

Mandatory Requirements

- Banks shall answer ALL questions in this RFP. Failure to respond to each of the requirements in this RFP may be the basis for rejecting a response.
- Failure to comply with any term and condition outlined in this RFP by the bank may disqualify the bank during the designation period.
- Banks shall submit the name, address, email address and telephone number of an individual with the authority to answer questions or provide clarification regarding their responses.
- Responses shall be submitted in a SEALED envelope or package bearing the title 'Bid for City Depository', and include the bank's name and address. The package must contain four (4) copies of the responses in the specified format and other supporting documents.
- Submissions shall be sent to:

Mr. James M. Nicholson, Director of Finance
City of Pataskala
621 W. Broad St
Suite 2B
Pataskala, Ohio 43062

Review Banking Relationships & Services

- **Collections**

- Lockbox: number, type (retail v. wholesale), payees, instructions key
- Electronic receivables: EFT, ACH collections, online bill pay, merchant card

- **Disbursements**

- Accounts Payable: number of vendors, frequency, services- checks issued
- EFT: ACH, wire transfers, purchasing card, payroll card
- Positive Pay: traditional or payee line matching positive pay
 - Of note, payee line matching provides the greater account protection.

- **Investments**

- Custodians
- Safekeeping
- Letters/Lines of Credit

Current Banking Relationships & Services

- **Other Considerations**

- **Debt**

- Current issues
- Paying agents/trustees
- Issuers, Counsel, Underwriters and Financial Advisors

- **Reporting**

- Requirements
- Frequency
- Types
- Reconciliation

- **Budget**

- Staffing, contractual services, expenses, equipment

Paying for Bank Services

- Three approaches to paying for banking services:
 - Earnings Credit
 - Ease of use and no direct impact to expense budget.
 - Account balance maintained is sufficient to cover the cost of banking services used.
 - Direct fee payment
 - Requires appropriation to pay fees.
 - Requires additional monitoring of collected balances
 - Requires active/passive investing
 - Combination of ECR and fees
 - Most organizations are using a combination of compensating balances and direct pay for their fees.
 - Monitor account analysis statement to evaluate fees and determine what method is most advantageous.

Periodic Reviews

- Treasury Review with your Bank --At least annually to:
 - Review services
 - Review account structure
 - Explore new opportunities to:
 - Identify costs and benefits
 - Identify new services and possible uses
 - Improve internal/external efficiency
 - Improve investment returns
 - Manage/control costs
- Review fees monthly via account analysis statement
 - Review services in use
 - Review Earnings Credit Rate periodically

Snapshot Analysis Statement

Date :

[This document is confidential](#)

Provided to

GFOA23 Inc

Provided by

ABC Bank

Summary Balance Information

Ledger Balance	\$	1,716,019
Float	\$	-
Collected Balances	\$	1,716,019
Reserve Requirement		
Investable Balance	\$	1,716,019
Earnings Credit Rate		2.00%
Earnings Credit Dollars	\$	2,820.85
Total Fees	\$	494.91
Monthly Expense	\$	-
Balances Required for Services	\$	301,071
Excess Balances Available	\$	1,414,948.32

Proposed Services

Service Description	Proposed Volume	Unit Price	Status	Proposed Total Fee
ACCOUNT SERVICES				
STANDARD				
DISB CHECKS PAID	30	\$ 0.2550	A	\$ 7.65
ELECTRONIC DEBITS TRANSACTIONS	-	Def	A	\$ -
COMMERCIAL DEPOSITS	1	\$ 0.8900	A	\$ 0.89
DEPOSIT ITEMS REJECTED	-	\$ 0.3700	A	\$ -
DEPOSIT ADJUSTMENT	-	\$ 12.7500	A	\$ -
EXCESSIVE DEPOSIT REJECTS	-	Def	A	\$ -
COMPOSITE GROUP	-	\$ -	A	\$ -

Current Topics in Banking

- Fraud Protection
- Cash Handling and Onsite Check Management
- Payments Automation

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“I sent my bank details and Social Security number in an e-mail, but I put ‘PRIVATE FINANCIAL INFO’ in the subject line so it should be safe.”

Fraud Protection

- Each year, organizations lose millions to check and ACH fraud.
- In fact, over 80% of organizations have been targeted by a payment fraud attack. As technology and business practices evolve, so the methods used by fraudsters.
- Protect your organization's assets through detection of unauthorized account activity by using some form of electronic and check security provided by your financial institution.

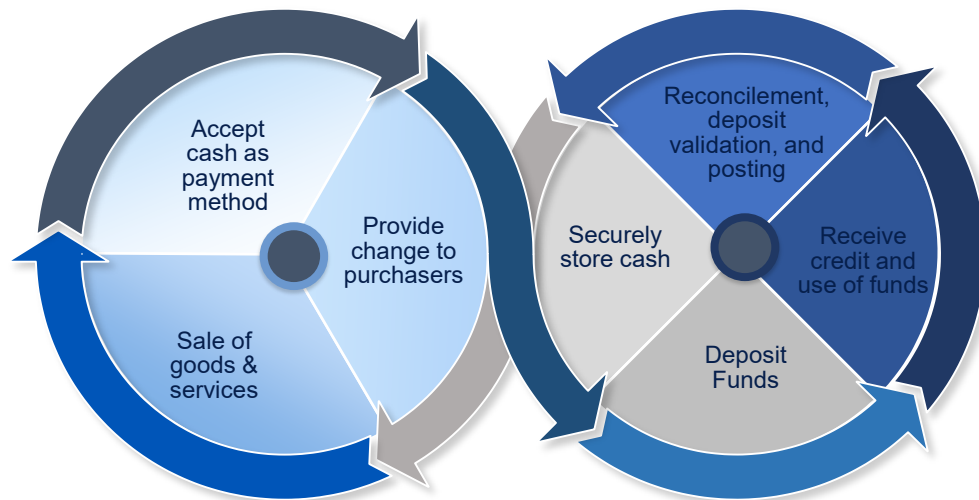
Types of Fraud

- Check
 - Check info can be manipulated through the altering of a payee or payment amount so that the intended recipient never receives payment AND the fraudster gets paid a premium amount through the check altering process.
- Electronic/ACH
 - Reduces fraud risk as electronic payment is sent directly to the recipient's bank account – no risk of mail interception or lost checks from a payment perspective.
- Wire
 - Importance of confirmation process and dual control for wire set-up and secondary authorization for release of funds.
 - Call confirmations are also key protective measures to ensure the individual making the request is not a fraudster!
- Cybersecurity and Phishing Schemes
 - Phishing emails impersonate legitimate companies and try to entice employees to click an email link or open an attachment. A single click can direct users to a fraudulent website where criminals can obtain confidential information such as login credentials or other data or infect users' computers with malware.
 - ALWAYS USE YOUR DESIGNATED BANK SITE FOR PURPOSES OF ACCOUNT ACCESS.

Cash Handling Functions

Process Considerations

Management of cash is necessary - but can be complex and cumbersome



Process Considerations

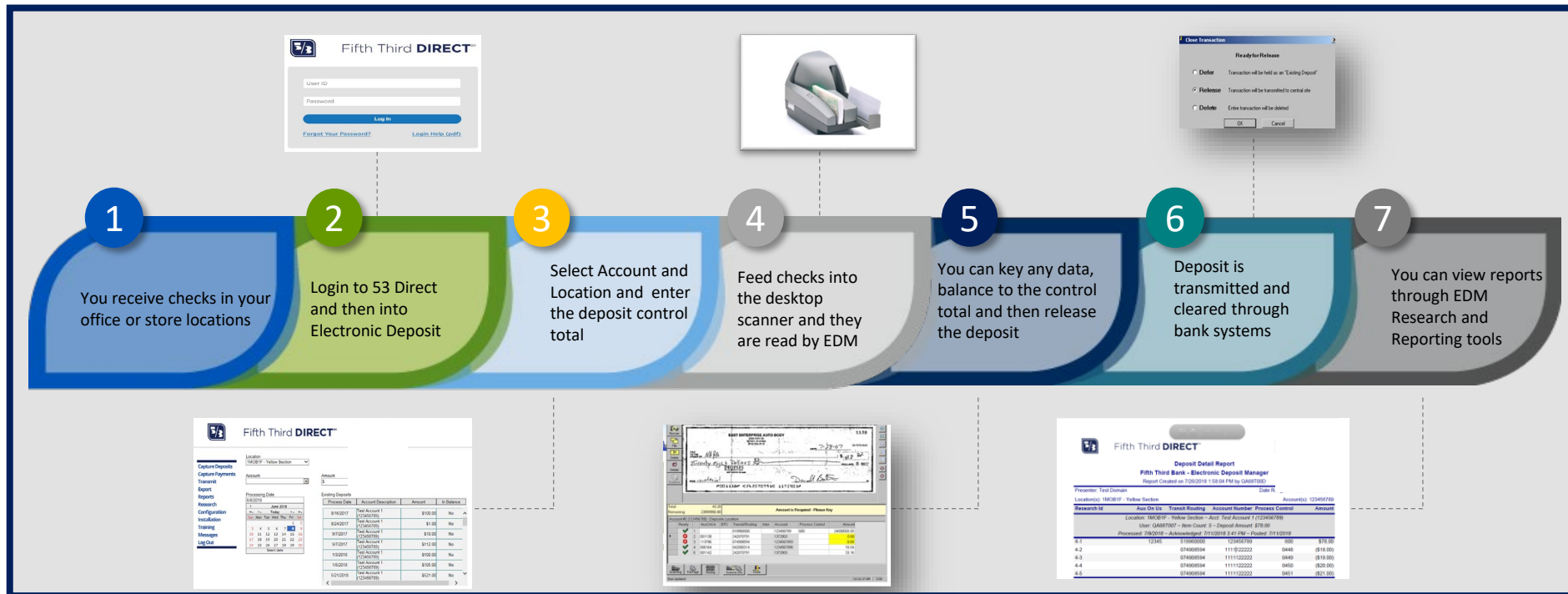
- Security for cash storage and staff safety
- Extensive deposit validation process
- Counterfeit detection
- Labor costs
- Loss & shrink prevention
- Accuracy of deposits
- Timely access to funds usage
- Reconciliation & reporting
- Multiple cash handling touchpoints
- Managing multiple banking relationships
- Managing armored courier relationships

Utilization of an on-site safe solution can eliminate employee safety risk associated with cash transport or provide courier savings if a 3rd party is involved in the deposit transport to the bank.

Electronic Deposit Manager (EDM): How It Works

Streamlines the time consuming process of preparing checks for deposit and saves a trip to the bank

- You simply connect the scanner to your local PC and access EDM online, through 53 Direct, to scan checks
- You can scan checks and/or documents from the convenience of your office or store locations
- Once checks/docs are scanned, you transmit the deposit files to Fifth Third with a click of a button
- The transactions are created into an electronic deposit that is sent to your account for posting
- You will see the electronic deposited item detail on 53 Direct or BAI in the same way they see other checks



Payments Automation

- Can be a source of cost containment, process improvement and revenue enhancement for a government entity.
- Ability to execute payments via ACH or commercial card to eliminate potential check fraud.
- Electronic payments are typically lower in cost when you aggregate the total cost of processing a check.

All Inclusive Check Cost ^{1&2}

Range: \$5.00-\$10.00 (Based on numerous studies)

- Check Volume
- Labor Costs
- Check & Envelope Supplies
- Printing & Mailing Preparation
- Lockbox Service Fees
- Postage Fees
- Bank Processing Fees
- Check Reconciliation
- Dealing With Lost Checks
- Vendor Questions

1) Aberdeen Group Survey 2016

2) Ardent Partners, State of B2B Payments: Emerging Business Value "Strategies for Success", 2015 & RPMG Survey, EAP Study,

Questions?

- Thank you!