



Request for Proposal



Banking Services

September 15, 2016

Patrick Wilkins
Chief Financial Officer
United Way of Central New Mexico
2340 Alamo Ave SE
Albuquerque, NM 87106

SECTION I **GENERAL INFORMATION**

Objective

As part of our fiscal responsibility to donors and agencies, United Way of Central New Mexico (UWCNM) must ensure that our operations are as efficient and cost effective as possible. As a result, we are requesting proposals (RFP) for a banking service relationship to provide various banking services, as described herein. The objective is to identify quality services at the most competitive rates. The proposal has been divided into the following sections:

- General Information
- Scope of Services & Requirements
- Proposal Format
- Detailed Information Needed

The payments system is changing rapidly creating risks, challenges and opportunities for organizations like UWCNM. Moreover, we want to become more efficient and, simultaneously, make it easier for others to do business with us. The banking relationship we implement today needs the flexibility to evolve. It is UWCNM's intent to maintain most banking services with one bank.

The proposal must be completed in its entirety. Any relevant supplemental information should be included as attachments. If a bank cannot meet a service requirement, the bank should enter "No Proposal" for that specific requirement.

Merchant processing and long term investments are not part of this RFP and will be addressed in a future request.

Contact, Questions and Inquiries

All questions and inquiries should be directed to Mr. Wilkins in writing – email is OK. All questions and their answers will be shared with other bidders. It is not our intention to hold a pre-bid conference.

Patrick Wilkins
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Albuquerque, NM 87106
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Selection Criterion

It is UWCNM’s desire to select a bank that will provide the best overall value on a long-term relationship rather than simply selecting the “low bidder”. Accordingly, UWCNM will consider numerous factors in order to select the most qualified bank to serve our banking needs. See page 6 for more information.

Term of Banking Services Agreement

It is the intent of UWCNM to maintain services selected for up to five (5) years. However, either party may terminate the relationship prior to specified time if warranted.

Proposal Format

Proposals should be prepared simply and economically. We appreciate straightforward, concise descriptions of the banking institution's services and responses to our questions. Please do not include marketing brochures or materials. The proposal should also demonstrate an understanding of UWCNM’s needs, as well as the bank’s qualifications and ability to meet those needs.

The Banking institution is required to, submit a detailed implementation/conversion plan with the proposal.

Timeline

	ITEM	DUE DATE
PHASE I	RFP Release Date	Sept. 15
	Questions & Feedback	Sept. 16-Sept. 30
	Written Proposals Due	October 17
	Proposal Evaluation Period	October 17 – Nov.14
PHASE II	Selection of Final Candidates	November 15
	On-Site Presentations to Management & Representatives from the Finance Committee of the Board of Directors	December 1
	Final Decision	December 15

Final sealed proposals should be submitted to Mr. Wilkins by 4:00 p.m. on Monday, October 17, 2016 and clearly marked “Banking Services Proposal”. We would like two hardcopies along with a corresponding electronic file submitted by email to Patrick.Wilkins@uwcnm.org

UWCNM reserves the right to select one or more banks that best meet our needs and objectives.

SECTION II

SCOPE OF SERVICES & REQUIREMENTS

Background

UWCNM's mission is "To bring people and resources together to measurably improve lives and strengthen our communities". UWCNM is an independent 501(c) 3 organization, whose service territory covers Bernalillo, Sandoval, Torrance, and Valencia counties

Proceeds from these campaigns are distributed to charitable section 501(c)(3) agencies (by competitive allocation or donor designation) as well as to UWCNM programs and initiatives.

The UWCNM campaign pledges are fulfilled in a variety of ways. Some donors choose to pay by check or credit card (VISA, MasterCard, Discover, and American Express are offered). We process credit cards through a terminal manually, through our website, and through our software, Enterprise. The majority of donors utilize payroll deduction in which case employers or their payroll service bureaus send UWCNM one check on a periodic basis for all payroll deductions collected. Some companies send us an electronic payment via ACH or wire transfer. While we hope to increase the number of electronic remittances, the majority of companies remit via check to our lockbox. We also receive some checks (and minimal cash) directly at our headquarters location, and those are processed for deposit or sent to the lockbox for processing.

UWCNM distributes monthly designations to agencies via ACH and check and quarterly designations to agencies via check; pays vendors via credit card, check, or wire; transfers agency allocations via ACH monthly; and pays employees (approximately 40 full and part-time) bi-weekly via ACH. ACH transactions are generated electronically through the bank's online (web) service. Presently the majority of our distributions are made via ACH, but checks are still issued to those agencies that do not accept ACH transfers on a quarterly basis.

The workflows of the UWCNM campaign are similar to that of the private sector. Checks and cash donations are received directly from donors during the peak campaign season in the fall. Beginning in January, remittances are primarily received directly from the various payroll departments. The payment dates and frequencies vary. Distributions of all money collected are paid to recipient agencies.

Current Account Structure

1. UWCNM Operating Account

UWCNM receives deposits in its primary account predominantly from check, ACH, credit card and cash transactions. Remittances are also received and made by wire but the volume varies throughout the year depending upon the processing schedule of the annual campaign. Payroll direct deposit and tax disbursements are paid directly out of this account on a semi-monthly basis. UWCNM is not currently utilizing a daily, automatic sweep account (repo) for investments, but will consider that option in the future.

UWCNM subscribes to a bank information reporting service to review daily activity, track balances, initiate stop payments and wire transfers, review positive pay suspects, etc. Separate monthly Demand Deposit Account (DDA) statements as well as combined account analysis statements are required.

2. UWCNM Zero Balance (ZBA) Account

A zero balance account is utilized to receive donor payments via EFT then transferred into the operational account every night. This account provides information from the originating organization for donor reconciliation and record keeping purposes.

3. UWCNM Sub-Accounts

A series of approximately 50 sub accounts are currently used for processing deposits from various donors. These sub accounts provide tracking of deposit information from donors for tracking and reconciliation purposes.

Minimum Banking Service Requirements

UWCNM expects to utilize the following services, although recommendations for innovative alternatives are also required:

- General Operational account - deposit and debit activity (including ACH, wire transfers, cash and checks, and credit card settlements)
- ZBA Account for deposits, which will transfer (sweep) in to the general operational account on a nightly basis.
- Accounts payable disbursements - ACH, check and wire disbursements to vendors/agencies and use of positive pay to protect against check fraud; reconciliation and check disposition with check digital check images required for daily and archival uses.
- Payroll disbursements - semi-monthly disbursements to employees via checks and direct deposit.
- Lockbox services - checks mailed directly to a local (Albuquerque address) lockbox for campaign and non-campaign activity; images of checks and any supporting documents for posting, reconciliation and research available online and via data transmission.
- Information Reporting -balances, transaction detail, ACH, stop payments, positive pay functionality, including images of suspects.
- Remote Desktop Scanning for checks, capable of accommodating high volumes during campaigns.

- Investment Management - The current UWCNM Investment Policy is included with this RFP. As part of the bid process we are looking for an investment solution for maximizing earnings on \$3-4 million cash, which is currently held in our operating accounts and in CDs at various financial institutions.

Selection Criteria

It is the intent of UWCNM to engage a primary financial institution to provide all or most banking services specified in this RFP.

Item	Weight %
Responsiveness and ability to provide services	30
Having a local service team and location (lock box, branch locations, etc.) that is available and meets our needs. If the lock box is not local, we are open to creative alternatives to keep our remittance address local.	20
Developing a creative solution to eliminate the current investment model for idle cash.	20
Participation with and commitment to the work of UWCNM	20
Overall cost of the services	10
Total	100

Before completion of the evaluation of all proposals received, banks may be asked to meet with management, Finance Committee members and/or Board of Directors members for an in person presentation of information contained in the written proposal.

Terms and Conditions

UWCNM reserves the right to accept or reject any and all proposals, in whole and in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified banking institutions in any manner necessary.

UWCNM reserves the right to award some services to separate vendors.

This RFP is not an offer to contract with any party. Any costs incurred by the bank in the proposal process are the sole responsibility of the bank.

**SECTION III
PROPOSAL FORMAT**

Transmittal Letter

A brief transmittal letter must accompany the proposal. An individual authorized to bind the successful banking institution to all statements, including services and prices, contained in the proposal, must sign the letter.

Executive Summary

This section should include a synopsis of the banking institution's understanding of UWCNM's mission and how the services that the banking institution proposes will assist UWCNM to achieve that mission. It should present a concise description of the banking institution's background, experience with nonprofit organizations, local presence and local community support. This section must clearly indicate how the banking institution's proposal satisfies each requirement of this RFP and the partnership the bank will provide with UWCNM for the term of this agreement.

Proposed Services

This section should present a detailed description of the banking institution's proposed services. The sequence should follow the order described in Section II, Minimum Banking Service Requirements. This section must clearly indicate how the banking institution's proposal satisfies each specification of this RFP.

Innovative Solutions

This section should provide any additional information or services that the banking institution deems relevant to this procurement and to satisfy the objectives of this RFP. We encourage you to broaden your responses to incorporate technology or other solutions that may be appropriate with respect to any particular subject area. Examples would be document imaging, electronic payment systems, mobile donation applications and automation of current business processes. Information on other products or solutions should be included as an addendum to your response.

Contracts / Service Agreements / Implementation Questionnaires

Any contracts, service agreements, and implementation questionnaires related to the proposed services should be included.

SECTION IV DETAILED INFORMATION NEEDED

Personnel

- 1) List names, titles, and phone and e-mail addresses and provide brief biographies of key bank contact personnel.
- 2) Will one relationship manager be assigned to our account? If yes, from which area of the organization? Where will the person be located physically? How often should we expect to see him/her during the term of the agreement?
- 3) How many relationship support staff will be assigned to our account? Where are they physically located?

Experience

- 1) What experience does your bank have in serving large nonprofit organizations?
- 2) How long has your bank offered the services being requested in this RFP?

Competitive Position and Future Commitment

- 1) What differentiates your products and/or services from other providers?
- 2) Which of your relevant product lines are outsourced (i.e., check processing, lockbox, etc.)? How do you plan to keep your products current and competitive?
- 3) What new services or features does the bank plan to offer that would be applicable to our organization and within what period?

Financial Standing & References

- 1) Provide ratings for the bank and/or subsidiary bank from the following agencies: Standard & Poor's, Moody's, etc. Include ratings for Bank Financial Strength, Bank Deposits and Issuer Rating. Please provide any relevant information regarding memos of understanding or restrictions that the bank is subject to from any Federal or State regulatory agencies.
- 2) Provide names and phone numbers of five references, preferably within our industry or with comparable volumes, which are currently using the services requested in this RFP. Select a mix of local long-standing and recent customers.

Depository and Banking Service Options

- 1) Please describe the type of accounts available to UWCNM from your institution.
 - a. Are interest bearing checking accounts available?
 - b. Do you provide overnight investment sweeps? If so, please describe the options available.
 - c. Please describe your zero balance account process.
 - d. Do you provide sub-accounts? If so, please describe the processing options available.
 - e. Are other types of interest bearing accounts available to UWCNM? Please describe.
- 2) Are night drop and branch service options available?
 - a. Is pricing different for utilizing these different deposit options?
 - b. Are any processing applications outsourced to a third party? If so, name the vendor(s) and describe the applications(s).
 - c. What is the proximity of your nearest branch to UWCNM headquarters at 2340 Alamo Ave SE?

- 3) What are the cut-off times to ensure same day ledger credit?
 - a. What are the cut-off times to ensure same day ledger credit for branch deposit, lock box and night drop?
 - b. Does the same availability schedule apply to all types of deposits made to our accounts? Would UWCNM receive the best availability schedule you offer to corporate customers?
- 4) Are weekend or holiday deposit services available? Is there an additional fee for these services?
- 5) Are all services requested available every business day, except for normal national bank holidays? If not, please explain.
- 6) Lockbox
 - a. Where is your lockbox operation located?
 - b. Incoming Mail – Is a unique zip code used for lockbox mail? What is your postal pick up frequency daily and on weekends? How and when is mail sorted into individual lockboxes at the bank? What is the last daily mail pickup each weekday that UWCNM can be assured will be deposited for that day’s ledger credit?
 - c. Processing – Describe payment processing workflows and quality controls within your Lockbox Department. Are processing specifications flexible to meet each customer’s requirements? Would our work be processed and deposited on multiple shifts (if so please describe and discuss your rationale)? Are all items received by the lockbox processed on the same day received? Is your lockbox site image-enabled, and if so, how can UWCNM’s own workflow benefit? How would our work be prepared for delivery to UWCNM? What are our delivery options? Should we have a question on a specific deposit or payment, how does the bank perform the research?
 - d. What options are available for data capture?

Deposit Verification and Reconciliation

- 1) Does the bank identify and adjust all discrepancies?
- 2) If no, at what dollar amount do you write off discrepancies?
- 3) Do you adjust the deposit amount or process an adjusting debit or credit?
- 4) Does the bank provide provisional credit for the face amount of the deposit before adjustments are applied?
- 5) What is the standard procedure for reporting deposit adjustments?
- 6) Does your bank provide deposit reconciliation services?
- 7) If so, please describe your process and reporting capabilities.

Return Item Processing

- 1) Provide the bank’s standard return item and re-clear processing instructions for both checks and ACH items. Can return items be automatically redeposited? If so, how many times. List any non-standard options that are available.

- 2) Does the bank ensure that all returned items have been processed and re-presented within the timeframe allotted by regulation? How are late returns handled?
- 3) How are we notified of ACH returns and how are these processed?

ACH and Wire Transfer Services

1) ACH Credit Origination – Payroll:

UWCNM utilizes a third party payroll provider that originates payments via ACH credit to employees for direct deposit and intends to migrate a high percentage of check-based disbursements to employees going forward.

- a) What is the transmission deadline for direct deposit files coming from our payroll service company in order to ensure that employees' funds are available at the opening of business on payday?
 - b) How are direct deposit files scheduled, controlled and authorized?
 - c) Does the bank establish a monetary credit ACH file cap?
 - d) If the cap is exceeded, how are files affected and is UWCNM notified? Is this a multiday file cap?
 - e) What services are available to our employees who elect to bank with you personally and is direct deposit required?
 - f) Do you receive transmitted files from payroll companies presently?
 - g) Describe your redeposit, reclamation and reversal processes.
 - h) How is UWCNM notified of any transaction failures or changes (Returns and Notifications of Change)?
 - i) Does the bank require the use of balanced ACH files?
- #### 2) ACH Credit Origination – Agency Disbursements:

UWCNM originates payments via ACH credit to selected nonprofit agencies currently, and intends to migrate a high percentage of check-based disbursements to agencies going forward. Payment data is extracted from our accounting system and transmitted to the bank as an ACH file.

- a) What are the transmission deadlines for business-to-business ACH files for next day settlement?
 - b) When would UWCNM be debited?
 - c) How are these ACH files scheduled, controlled and authorized?
 - d) Can these files be ware housed by the bank for processing of repetitive payments on prearranged dates?
 - e) Does the bank establish a monetary credit ACH file cap?
 - f) If the cap is exceeded, how are files affected and is UWCNM notified?
 - g) Does the bank require the use of balanced ACH files?
- #### 3) ACH Credits Received:

UWCNM receives funds from businesses and other United Way organizations via ACH credit with and without accompanying detailed payment information.

- a) What types of ACH credit entries with addendum information does your bank support and what options do you offer in remitting the payment detail to us (same day versus next day, on-line reporting, file translation and reformatting etc.)?

4) ACH Debits Originated:

UWCNM is interested in originating repetitive direct withdrawals from donor bank accounts on a pre-scheduled basis. We currently do not do this, but any advice is welcomed.

- a) What are the transmission deadlines for consumer to business or business-to-business ACH files for next day settlement?
- b) When would UWCNM be credited?
- c) What type of donor information would be available for reconciliation purposes?
- d) How are these ACH files scheduled, controlled and authorized?
- e) Can these files be ware housed by the bank for processing of repetitive payments on prearranged dates?
- f) Does the bank establish a monetary credit ACH file cap?
- g) If the cap is exceeded, how are files affected and is UWCNM notified?
- h) Does the bank require the use of balanced ACH files?
- i) Would these be processed under dual control?

5) Wire Transfers:

- a) Can wire transfer requests (repetitive and non-repetitive) be made via the Internet, in writing as well as via telephone?
- b) What types of security measures are used to prevent unauthorized wires?
- c) Can the customer establish dual authorization (initiator and approver) before the bank executes wire transfer requests?
- d) Can authorized users utilize mobile apps for approving wire transfers, monitoring activity and receiving notifications?
- e) What types of notifications are used to inform UWCNM of any pending wires that have not been sent?
- f) What are our options for system administration to change user authorities, set up repetitive line codes, etc. (real time online, etc.)?
- g) What are the opening hours and the cut-off times for initiating wire transfers to ensure same-day execution? Does the bank's wire transfer system have the capability of warehousing instructions for future dated wire transactions?
- h) Can we establish limits on outgoing ACH or wire transfer such as maximum amounts?

Transaction Research

- 1) Within what period can you provide requested copies (deposits, paid items, returns, etc.) or documentation? What access/delivery options are available?

Disaster Recovery

- 1) Please provide an executive summary of the bank's disaster recovery and business interruption plan.
- 2) Where are the off-site facilities located?
- 3) How quickly can the "hot" site be implemented in the event of an emergency?

Information Reporting

- 1) What information is available online on a same day basis? Next-day?
- 2) Confirmation of all wire transfers?
- 3) ACH funding transfers?
- 4) Returned checks?
- 5) Electronic Data Interchange (EDI) transactions?
- 6) What is the retention period for data stored on the reporting system and available for customer access?
- 7) Describe the reporting that the bank will provide on a monthly basis. At a minimum, these must consist of:
 - a. Statement of activity
 - b. Detail of cleared checks
 - c. Detail of any fees assessed
 - d. Detail of wire transfers, ACH or EDI transactions made during the month
- 8) Do bank statements and/or daily online reports provide details regarding miscellaneous debits and credits (to assist us with verification/reconciliation)?
- 9) Can the customer specify a cut-off date for statement and/or paper reports? How soon after the cut-off date, will the following be sent?
 - a. Bank statements
 - b. Reconciliation information
- 10) Please describe your process for system setup, access, user access setup and access and system maintenance and administration.
- 11) Please include all hardware and software requirements for online access.

Account Reconciliation, Positive Pay & Stop Payments

- 1) What options does the bank make available for submitting check issue and void data? Manual checks? What are the input deadlines? What electronic input options are available?
- 2) Does the bank offer positive pay? What notification options are available for UWCNM to review suspects, and in what timeframe? What happens if we do not respond to a suspect by the deadline?
- 3) Can ACH transactions be verified in a similar manner?
- 4) Does the bank offer teller-line positive pay? If so, when are UWCNM's input files reflected at the teller line (e.g., real time)? Is Payee Verification available?
- 5) What options are available for placing stop payments? Are they effective real time? How long are they effective? Is there a need to place a stop payment on a check we have voided within the positive pay system?

Image Processing, Data Transfer and Document Management Services

Describe the bank's current image processing and document management capabilities.

- 1) Do you provide on-line customer access to return and adjustment images?
- 2) Can captured images be passed electronically to the customer?
- 3) What are the hardware and software requirements for the customer?
- 4) Do you provide data entry and electronic transfer of this data in connection with or in addition to image services? If so, please describe service available.

Implementation

- 1) The bank must submit a detailed implementation/conversion plan with the proposal that includes:
 - a. A list of bank staff and their roles in the implementation process.
 - b. A list of UWCNM staff that will be required for the implementation process, their role and an estimate of their time commitment (daily, weekly, etc.)
 - c. A list of technical resources required by UWCNM
 - d. A detailed task list and timeline for the conversion of existing services and implementation of new services.
 - e. A plan for post implementation, including bank contacts and roles.
- 2) Provide a copy of all agreements that will be required to initiate depository services, wire transfers, lockbox services, etc. prior to implementation.
- 3) What is the average lead-time required for implementation, including but not limited to, the following services and what are the critical factors that may influence the lead-time?
 - a) Deposit ticket orders/endorsement stamps
 - b) Account opening
 - c) Information reporting/detail transmission
 - d) Deposit reconciliation
 - e) Online services
- 4) Describe materials available for implementation and ongoing on-site or online training provided by the bank in the areas listed below.
 - a) Usage of bank services
 - b) Information reporting/data transmission systems
 - c) Technical support
- 5) How might you assist us in evaluating and implementing "best practices" in the future?

Customer Service

Describe the responsibilities of customer service personnel, including the chain of command for problem resolution. Is local customer service support available for UWCNM's banking relationship?

- 1) What are the days and hours of operation of the customer service department(s)?
- 2) How does the bank handle inquiries requiring research and adjustments?

- 3) Are there established turn-around times for research and adjustment items? If yes, please specify.
- 4) What is the bank's record on meeting established response times?
- 5) Does the bank provide technical customer support for computer software and communications problems?

Quality

- 1) Does the bank have a formal quality improvement program for processing services? If yes, describe.

Pricing

- 1) Provide a price schedule for the requested services. Include any one-time or set-up charges, research fees, and all other monthly or incidental fees that will be charged.
- 2) Is a check cashing agreement required? If yes, include a copy. Will employees or other payees incur a fee for cashing an on-us check at one of the bank's branches?
- 3) Indicate the proposed fee guarantee period. How and when is the customer notified of a price increase or change?
- 4) Does the bank accept compensation in fees, balances or a combination of the two? If fees are accepted, is there a surcharge or a different price schedule for fee vs. balance compensation?
- 5) Describe the method used to calculate the earnings credit rate (ECR). Is a reserve requirement deducted from the available balance before the ECR is calculated? If not, explain. List the bank's ECR for the most recent six months.
- 6) Can a target (peg balance) be established and maintained to avoid hard dollar charges?
- 7) Please provide sweep investment rates for the most recent six months.
- 8) Is there a fee or other assessment for FDIC insurance? If so, how does the bank calculate the charge?
- 9) When calculating average balance, are positive and negative balances netted within the account group?
- 10) How does the bank charge for overdrafts (ledger and daylight)?
- 11) How long can excess balances be carried forward to apply to charges in future billing periods?

- 12) How soon after the close of the billing period is the account analysis available to the customer?
- 13) Do you charge for responding to audit confirmations? If so, what is the amount?
- 14) How are adjustments reflected on the account analysis?

Per Item Pricing

Attached is a listing of services and volume (when applicable) we are receiving from our current bank. The AFP code for each item is listed with the description. Samples of account analysis statements for representative months are included. These balances and transaction volumes represent the best estimate of UWCNM and we cannot guarantee these as minimum or maximum volumes. In addition, the quantities per month of our services are cyclical in nature and our use is heavier in the height of the campaign, late fall through early spring. Any and all anticipated service charges must be shown for these items. Add additional information as needed.