

**MARYLAND STATE TREASURER'S OFFICE
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401**

**QUESTIONS AND ANSWERS
FOR
REQUEST FOR PROPOSALS FOR
BANKING SERVICES FOR THE MARYLAND 529
RFP #MD529-03152019**

April 11, 2019

Q-1. Can you clarify if the State is looking to award all three categories of services or will they consider awarding individual categories to different vendors?

A-1. There are three categories and one or more contracts may be awarded in response to this RFP.

CATEGORY A - DEPOSITORY AND DISBURSEMENT BANKING SERVICES

Q-2. Please clarify the meaning of "local depository"? Will you require a physical branch presence? If so, please provide the locations that will require access to a bank branch.

A-2. We are seeking a depository bank centrally located in Baltimore.

Q-3. How many scanners do you utilize today? Are they at separate physical locations? If so, please provide the addresses.

A-3. Currently, we use one scanner and would like to add one more scanner at the same location in our Office location.

Q-4. Are you scanning checks into multiple accounts? If so, how many?

A-4. Checks are scanned to one depository account.

Q-5. Do you need to capture additional information besides the MICR and check amount on each check and/or document? If so, please provide the number of fields.

A-5. For purposes of remote deposit functionality, we need to capture: Check number, Routing Number, Check Account Number and Amount (4 fields).

Q-6. -..." a. verification that the withdrawal transaction is acceptable based on the guidelines provided by the MD 529". Please provide more detail on what is expected of the provider.

A-6. We expect to receive a list of checks issued, verifying if the check has been cashed, and to identify checks that are over 90 days are marked for stop payment.

Q-7. When disbursing electronic payments to account holders, do you transmit an ACH file via transmission or do you use the bank portal?

A-7. Currently, disbursements to account holders are made via checks, which are printed and mailed from Maryland 529 Office. We would like to look at electronic options with the understanding that Account Holders that want to continue to receive checks, have that option. We are looking for check printing options as well.

CATEGORY B - LOCKBOX

Q-8. Is the lockbox location required to be in Maryland? If so, is there a specific city required?

A-8. Lockbox operations can be located outside of the State of Maryland as long as there is daily pick up from our Post Office Box location in Baltimore.

Q-9. How many lockboxes does the MD 529 have today?

A-9. The MD 529 has two lockboxes located in Baltimore.

Q-10. Does the State own the PO Boxes or does the bank?

A-10. MD 529 owns the two lockboxes.

Q-11. Are the lockboxes seasonal and if so, what are the peak processing times?

A-11. These are not seasonal lockboxes, however there is peak processing that coincide with tuition payments (August – September) and again for Spring Semester (December-January)

Q-12. Do you have multiple deposit times for your lockbox today?

A-12. No.

Q-13. Do your checks come with additional documents? If so, how many? Please provide an example.

A-13. Checks typically have a coupon. Application/Enrollment Forms are also attached to checks.

Q-14. Please provide samples of the coupons. If they differ, please provide a sample of all coupons that exist today. Please send both sides of the documents / coupons.

A-14. See Exhibit 1.

Q-15. Do you require the check amount to match the invoice amount?

A-15. Yes.

Q-16. What information do you need to post the payment besides the MICR and check amount?

A-16. In addition to the MICR and check dollar amount, we also need the Contract No.

Q-17. Please provide the number of fields and the average character length of each field.

A-17. Payment Type ID = 1
Account Type ID = 1
Customer Number = 9
Contract (Invoice) Number = 8
Amount Due = 8

Q-18. Are there any late fees assessed?

A-18. No.

Q-19. How many payee names do you currently validate against?

A-19. Eleven names.

Q-20. Are you depositing all funds received into the lockbox in a single account?

A-20. Yes.

Q-21. Do you require a stop/go file capability?

A-21. No.

Q-22. *“electronic lockbox system where payment can be made online”*... Please confirm if these are for payments that were initiated from an account holder’s home banking service.

A-22. Confirmed.

Q-23. Would the State be willing to provide copies of the current processing instructions for the lockbox?

A-23. No. Processing instructions will be reviewed with the Offeror that is awarded the Contract.

Q-24. Does the State require an online service to view images of checks and corresponding documents? If so, would this eliminate the need for check photocopies and re-association?

A-24. Yes, however this does not eliminate re-association.

Q-25. What types of payments is the State reviewing through the decisioning portal?

A-25. ACH and checks.

Q-26. What information is being data captured as referenced on page 43, under value added keying?

A-26. Payment type, Account type, Customer ID, Contract No., Invoice No. and Amount due.

Q-27. Please describe the fee "Excessive Check Surcharge" on page 42.

A-27. Fee is per non-scannable transaction processed.

CATEGORY C - CUSTODY

Q-28. Pg. 11, Section 3.1.4. Are there any global securities (non-US dollar dominated holdings); if so, please provide a breakdown by country of the market value and trading estimates.

A-28. There are no non-US dollar dominated holdings in the current separately managed accounts.

Q-29. Pg. 16, Section 3.4.3.1. Do you require both trade and settlement reporting?

A-29. Yes.

Appendix A-3 (pg. 45)

Q-30. How many commingled funds are held in the portfolio and total market value of the commingled funds?

- A-30. Currently we have 10 commingled accounts with a MV of approximately \$470 million.
- Q-31. How many alternative/mirror image items are held in the portfolio and total market value of the alternatives?
- A-31. Two of the accounts are in REITs (~\$167 million), and, 2 accounts are for private equity accounts (~\$30 million) of the 10 commingled accounts (referenced above).
- Q-32. Annual or monthly trading volumes for buys/sells/maturities (these can be one total)?
- A-32. Buys: 116; Sell: 93; Maturity: 3.
- Q-33. Annual or monthly volumes for CMO/assets and mortgage backed principal and interest payments?
- A-33. **Annual: 778 each.**
- Q-34. Annual number of capital calls?
- A-34. Approximately 10-12.
- Q-35. Do you hold any physicals? If yes, how many?
- A-35. No.
- Q-36. Estimate of the number of incoming wires annually.
- A-36. Approximately 15-20.
- Q-37. Estimate of the number of outgoing wires annually.
- A-37. Approximately 15-20.
- Q-38. Is Compliance Monitoring and Reporting an optional service?
- A-38. No, it is required.

Exhibit 2 (pg. 83)

- Q-39. This diagram appears to show 4 accounts... Three bank accounts: MPCT Depository Account, MPCT Controlled Disbursement Account and MPCT Checking Accounts and a separate Custody Account. Please confirm that this is correct and that there are 3 bank accounts in addition to the Custody Account.

A-39. Currently, there are 4 bank accounts (MPCT Depository, MPCT Controlled Disbursement, MPCT Checking, and ABLE Depository) plus 1 cash account at the Custodian Bank.

Q-40. Where are the Mutual Fund and Commingled Accounts held?

A-40. MPCT Mutual Funds are currently held in an Omnibus account at the Custodian Bank. The Commingled funds are currently held with the respective investment managers.

Q-41. How are the mutual and commingled funds accounted for today by the custodian? Are they held mirror image?

A-41. Monthly statements are generated for every account and tied back to the Investment Manager monthly statement.

Exhibit 1

ANNUAL PAYMENT INVOICE

Account Number:
Payment Due Date:
Amount Due:
Beneficiary Name:

The information above reflects the annual payment due on your Maryland Prepaid College Trust (MPCT) account. Please detach the bottom portion of this bill and enclose it with your check or money order.

Your payment should be forwarded to the Maryland Prepaid College Trust to P.O. Box 17412; Baltimore, MD 21297-1412. Checks should be made payable to the MPCT and your 8 digit account number should be noted on the check.

If you have already submitted your payment, please disregard this invoice. Your payment is due on May 1, 2019, if your payment is not received by May 17, 2019, the actuarial assessment of \$40.00 per month will be charged to your account.

Thank you for your participation in the Maryland Prepaid College Trust.

ANNUAL PAYMENT INVOICE

Maryland529

PREPAID COLLEGE TRUST

Student Name	
Contract No.	
Due Date	
Amount Due	
Late Date	

Please detach and send this portion with your payment

Maryland529

PREPAID COLLEGE TRUST

Make Checks Payable To:

MARYLAND PREPAID COLLEGE
TRUST

P.O. BOX 17412
BALTIMORE, MD 21297-1412

Please do not make changes to
your account on your coupons but
mail a request separately.

Contract No.	
Due Date	
Amount Due	
If Received After	
Late Fee	
Late Payment	

If applicable, a new coupon book will be mailed to you
automatically. Coupons are mailed 2-3 weeks prior to
the first of each month. Please put your account
number on your check.

AVOID LATE CHARGES: Payments must be
received on or before the due date. A late charge will
be assessed for each payment not received within
fifteen (15) days of the due date. Late Charges are
assessed according to the day payment is actually
received, not the postmark date.