

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

PRE-PROPOSAL CONFERENCE
May 12, 2011

Re: Request for Proposals ("RFP") for Depository Banking Services, RFP #DISB-04082011

State of Maryland Attendees:

Anne Jewell, Procurement Officer, State Treasurer's Office
Gregory Saba, Director, Banking Services, State Treasurer's Office
Marlo Zeroth, Deputy Director, Banking Services, State Treasurer's Office
Jackie Malkinski, Banking Services, Reconciliation, State Treasurer's Office

A Pre-proposal Conference was held on May 12, 2011 at the Maryland State Treasurer's Office regarding the RFP for Depository Banking Services. The meeting opened with introductions of the State of Maryland officers and then by the representatives from the following financial institutions: Bank of America, BB&T, M&T Bank, PNC Bank, SunTrust Bank, and Wells Fargo.

Comments were made by the Procurement Officer regarding the dates for oral presentations being changed to June 13th and 14th.

Mr. Saba discussed the way transfers and the accounts are working now, and the kind of structure the Office is looking at going forward. He pointed out that the Office reconciles daily and to the penny and that reconciliation is dependent on getting quick and accurate information from the banks. Mr. Saba further mentioned that there does need to be a branch presence throughout the State for the agencies to be able to make deposits, whether it's through a correspondent relationship or through the bank's branches. We currently have seven community banks which are: Calvin B. Taylor Bank, CNB, First United Bank & Trust, M&T Bank, People's Bank, PNC Bank and Provident State Bank.

Handouts were provided and briefly discussed (attached).

- The first handout shows the current structure. Each agency has their own unique "sub" account number to which both cash and electronic deposits are made. At the end of each day, funds deposited during that day are concentrated through the incumbent bank's internal mechanism into a main depository account. The concentration is at the transaction detail level and is critical to the State's cash reconciliation process. The next morning the funds are moved to our disbursement bank for investment purposes and to fund disbursements.

- The second handout shows the agencies depositing into the community banks which flows to their sub-account and then eventually to the main account for concentration purposes (via ACH). Community Bank accounts are reconciled monthly by the current depository bank. Detailed daily bank statements are available however reconciliation is once a month for the community banks.
- The third handout shows the electronic receipt processing and gives an idea of how the Office currently receives and posts electronic deposits. Briefly stated, the funds are deposited to the depository bank, the Office receives a receipt file, description information on the ACH record is validated against a posting database and is posted automatically to the State's general ledger.
- The fourth handout shows that deposit tickets are specific to an agency and use a 10 digit number, with the exception of Motor Vehicle Administration which uses six digits. These tickets are critical for the matching process to verify deposits recorded by the agencies in the State's financial system.

Mr. Saba continued the meeting by providing the following comments:

- A secure e-mail system is required for communication between our Office and the bank.
- Most agencies are using some form of electronic capture of receipts and two agencies are currently utilizing remote deposit.
- Many agencies have payment links on their websites. The payment methods accepted include ACH, eChecks, and card products.
- Fees for the Community banks must be equal to or less than the fees charged by the Contractor.
- A web-based system that provides the ability to customize reports and download those files is necessary for the Office's reconciliation. In addition, agencies are now able to view their accounts and download the information to manage their accounts. The Office is also provided on-line access to accounts held in the community banks.
- Checks are deposited into individual sub-accounts then concentrated into the main account at the end of each day. Returned payments and deposit corrections are posted directly to those sub-accounts, not to the main account. Returned checks are sent to the individual agencies that hold those accounts.

Questions were taken from the audience and responded to accordingly:

Q-1. Is the Office looking for some sort of a transportation courier both armored and non-armored services? Are you looking for a quote for the cost for a courier or series of couriers to go to each agency?

A-1. We would like the Offeror to be a facilitator for agencies in need of courier services.

Q-2. Can the Office provide the volumes broken down by locations?

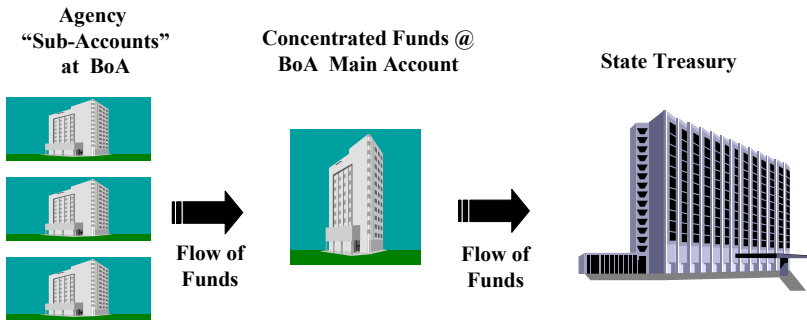
- A-2. That information would be very difficult to gather as multiple locations make deposits to one account. It is not easily identifiable as to how much each location is depositing into a particular account.
- Q-3. Can you clarify on Page 10 of the RFP, the reference to IVR for income tax? Is that volume provided for those costs?
- A-3. See Amendment No. 2 to the RFP which provides the volumes and is to be included with the Offeror's price proposal submission.
- Q-4. Can you clarify on the price list, ppg monthly maintenance?
- A-4. This is maintenance fees for what the depository bank calls "payment collection gateway". It's a method by which agencies are taking deposits in all forms through a web-based product.

Respectfully submitted,

Anne Jewell
Anne Jewell
Procurement Officer

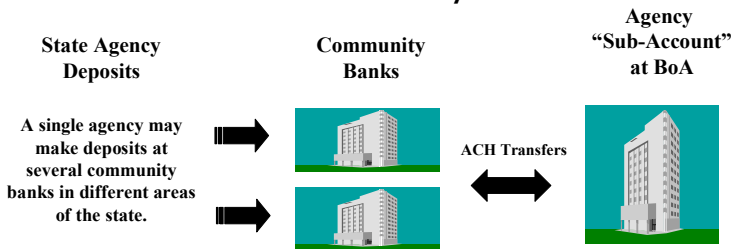
Bank Accounts

Bank of America "BoA" Depository Plus



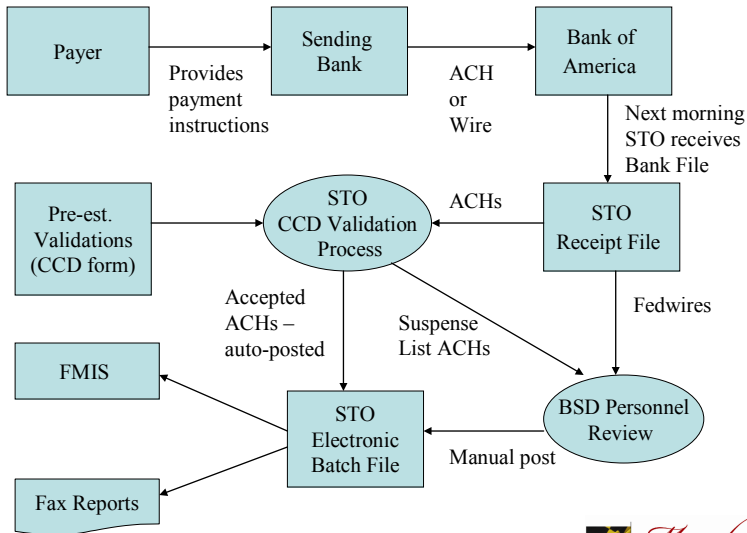
Each agency is assigned a unique bank account number that rolls up to the State's main depository account each day

Bank Accounts Community Banks



- Community Banks are banks selected by BoA to accept deposits in locations it does not have a branch
- Agency makes deposit to Community Bank; Agency transfers deposit from Community Bank to agency BoA depository plus account by phone (transfer is ACH)
- BSD's Community Bank Coordinator reconciles Community Bank accounts with BoA monthly

Electronic Receipt Processing



STO = State Treasurer's Office

Cash & Check Deposits

DEPOSIT TICKET
FOR CLEAR COPY, PRESS FIRMLY

DATE	DOLLARS	CENTS
	CURRENCY	
	COINS	
	CHECKS	US DOLLARS
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		

Bank of America
STATE OF MARYLAND
MARYLAND STATE TREASURER'S OFFICE
TEST ACCOUNT
ACH R/T 052001633

90007
TOTAL ITEMS

90007
234590007

Dept
(Static) #

PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

Example Agency
Unencoded Deposit
Ticket

5 digit ticket #

10 digit micr #

DEPOSIT TICKET
FOR CLEAR COPY, PRESS FIRMLY

DATE	DOLLARS	CENTS
	CURRENCY	
	COINS	
	CHECKS	US DOLLARS
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		

Bank of America
STATE OF MARYLAND
MARYLAND STATE TREASURER'S OFFICE
TEST ACCOUNT
ACH R/T 052001633

080025
TOTAL ITEMS

080025
080025

PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

Example MVA
Unencoded Deposit
Ticket

6 digit ticket #