

**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  
DEPARTMENT OF LABOR, LICENSING AND REGULATION  
UNEMPLOYMENT INSURANCE  
BENEFIT PAYMENT AND ESCROW ACCOUNT**

**RFP #DLLR-BPEA-08292012**

September 13, 2012

**Accounts**

- Q-1. P 11, 3.04.04 Collateralization - What are the average collected balances in the Escrow account and the Benefits Disbursement account?
- A-1. The average balance for the Escrow Account is \$1,500,000 and the Benefit Account is \$500,000.
- Q-2. What is the process used to disburse funds from the Escrow account? (Are funds transferred from the Escrow account to the Benefit account with payments then made from the Benefits account?)
- A-2. Funds are disbursed by check from the Escrow Account. They are not transferred to the Benefit Account.
- Q-3. What is the monthly volume of disbursement activity of funds from the escrow account?
- A-3. On average 2-3 checks a month.
- Q-4. Escrow Account - What is the current investment vehicle and what has been the monthly interest earned for the past 3 months on this account?
- A-4. We were using overnight repo, however, this has been recently changed to an earnings credit. The overnight repo provided \$40.00 in interest from the past 3 months.
- Q-5. Page 8 - The Accounts - Does the State currently have the O/D benefit on their account? If yes, how frequently and what is the average O/D?
- A-5. The State does not currently have the O/D benefit on the account.

- Q-6. Page 8 - "The Account" - benefits account - Has the account ever been overdrawn? If so what is the average negative collected balance?
- A-6. There is no average negative collected balance for the Benefits Account and we are not aware of the account having been overdrawn in the past.
- Q-7. Please clarify the comment under The Account section on page 8 where it mentions that the benefit account functions as a demand deposit account with a zero balance. We are assuming that this is because of the Fed funding the account is not a traditional ZBA.
- A-7. Correct. The Benefit Account is not a traditional ZBA.
- Q-8. Page 10, 3.04.02 - Is the requirement to have a branch or correspondent banking relationship in every County in Maryland a firm requirement?
- A-8. This requirement has been deleted per Amendment No. 1 to the RFP.
- Q-9. Page 10 - Please confirm if you utilize any of the following, as these services are listed on page 10, but there are no line items on the worksheet:
- a. Wires incoming & outgoing and, if outgoing, operator or online
  - b. Controlled Disbursement
- A-9. a. Incoming wires – yes. Outgoing wires – no.  
b. Controlled Disbursement – no.

**Page 11, Item 3 Check Cashing**

- Q-10. Provide estimate of volume of checks presented for encashment on a monthly basis.
- A-10. Approximately 1,100 per month.
- Q-11. Please advise the locations where the majority of the checks are expected to be cashed within Maryland.
- A-11. Baltimore and Washington, D.C. metropolitan areas.
- Q-12. What is the current check fraud rate? (value, number of items annually)
- A-12. We do not have a "check fraud rate" since there has been none recently.
- Q-13. P-11, 3.04.06 Reporting - Does access to online reports satisfy this requirement? Is the State looking for daily and month end statements?
- A-13. Online reports will satisfy this requirement. See Section 3.04 Services, item 6. Reporting for frequency of reports.

**Page 13, Item 9 - Reconciliation**

- Q-14. a. What method does the Benefits Division plan to use to communicate/deliver check issuance data to the bank?
- b. What frequency?
- c. Does the Benefits Division plan to upgrade to Payee Positive Pay service (Payee Name Authentication)?

- A-14. a. Check issuance data will be sent electronically to the bank.
- b. Daily.
- c. There are no plans at this time to upgrade to Payee Positive Pay.

Q-15. Reconciliation must be available "bimonthly 10 days after the close of the period for the reconciliation, and delivered to the Contribution Division in Baltimore" - please clarify exactly what you are looking for here.

A-15. We are looking for a bank statement twice a month, on the 15<sup>th</sup> and the last day of the month.

Q-16. Can you provide a sample of the reconciliation recap sheet without sensitive data?

A-16. See attached reconciliation statement.

Q-17. Page 14, Section 3.05.01 - Fees must be fixed throughout term of contract and renewals. Will State consider the following:

Three (3) year term of the contract but reserves the right to review and adjust negotiated pricing every twelve (12) months. Bank also reserves the right to review and adjust pricing resulting from regulatory changes regarding collateralized public funds. This response is submitted and priced anticipating a comprehensive award of all services offered in the RFP. If any award separates the RFP services, then Bank reserves the right to adjust options and pricing accordingly for the actual award of services. All services in this response are offered under the terms and conditions of the enclosed agreements.

A-17. No. There will be no fee adjustments during the term of the Contract, including any renewal options except as provided for in Section 1.3 of the Contract. Further, we anticipate that only one Contract will be awarded to perform all of the services outlined in the RFP.

**Page 22 & 23 - Price Proposal Worksheet**

Q-18. Can you provide a list of the AFP codes associated with these line items?

A-18. Available AFP Codes have been inserted on the revised Appendix A - Price Proposal Worksheet, which is included with Amendment No. 4 to the RFP.

Q-19. Regarding deposit activity in the Benefits accounts:

- a. Is this solely check deposits or also cash?
- b. Page 22. From the Price Proposal Worksheet, it appears that there are about 2 - 3 deposits per month. Is this an accurate volume?

- c. Page 23. The Price Proposal Worksheet indicates Remote Deposit Services but no transaction volumes. Is the Benefits Division open to using Remote check deposit (scanner) service and eliminate the branch deposits that are indicated on the Price worksheet?
- A-19. a. For the Benefits Account, deposit activity is check deposits.  
b. Yes. The deposit volume is 2-3 per month.  
c. We use a remote check deposit scanner for another depository account and would be open to using this process for the Escrow Account.
- Q-20. Are you utilizing Remote Check Capture for your deposits since there is a line item on the worksheet for it? If so what is the make and model of the scanner?
- A-20. See Answer 19 above. The make and model of the scanner is TellerScan TS230.
- Q-21. General ACH Services  
a. It appears that the Benefits Division does not initiate any ACH payments, rather ACH debits and credits are received from third parties. Is this accurate?  
b. Is the Benefits Division considering ACH for employer overpayments as an alternative to check payments? If yes, what volume would be involved?
- A-21. a. Yes, debits and credits are received from third parties.  
b. We would consider ACH for employer overpayments. The volume could be 8,000 – 10,000 a year.
- Q-22. From the Price Proposal Worksheet, there is no indication of incoming or outgoing Fedwires or book transfer volumes. Kindly provide.
- A-22. Funding for the Benefit Account is made via ACH credit. A fedwire is only used in an emergency.
- Q-23. Deposit Account Statements – it says you have a volume of 5 months (sic), does DLLR receive duplicate statements, since you only have 2 accounts?
- A-23. For the Benefit Account there are two statements per month (one on the 15<sup>th</sup> and one the last day of the month). For the Escrow Account we receive one statement per month. Please see Amendment No. 4 that corrects the Price Proposal Worksheet estimated annual volume for Deposit Account Statements to 36.
- Q-24. Please confirm if you have 1 account on Full ARP/Positive Pay and the other account on Basic Positive Pay with no recon?  
a. Checks Paid – 1,162 monthly  
b. ARP Full PPAY Input Per Item – 521 monthly  
c. ARP PPAY No Recon Input – 2 monthly
- A-24. Yes, the Benefit Payment Account is Full ARP/ Positive Pay. The Escrow Account is Basic Positive Pay with no recon.
- Q-25. Does the following line item represent ARP Recon Trans Daily – DLLR sending files to the bank and/or DLLR receiving reconciliation files from bank?

- A-25. Yes, DLLR sends files to the bank and receives reconciliation files from the bank.
- Q-26. How close in proximity is the branch that you are depositing into? It states that there were 58 deposits made with 131 checks. What do these deposits consist of and where are they coming from?
- A-26. We are located in Baltimore which is close to the Branch we make deposits to. These deposits consist of checks and are coming from employers who are placing cash in escrow with us.
- Q-27. Does DLLR currently use a Payroll card program? If not will DLLR accept that solution as an added service?
- A-27. We use a Debit Card for the majority of our benefit payments. The Benefit Account is for employer refunds and payments that cannot be made to the Card.
- Q-28. Are there any plans for requiring direct deposit for those that receive unemployment insurance benefits similar to the Federal Government program?
- A-28. No, we utilize a Debit Card for benefit payments.
- Q-29. Does DLLR currently utilize Payee Name Positive Pay?
- A-29. No.
- Q-30. Who is the incumbent Bank?
- A -30. Bank of America, N.A.
- Q-31. We noted that no date is indicated for return of the State's responses to questions submitted. If responses are received at end of week, would the State be willing to consider an extension on the current Sept 19<sup>th</sup> due date of the proposal?
- A-31. An extension of the proposal due date is not being considered at this time.

BANK:

ACCOUNT NUMBER:  
COMPANY: DLR UNEMPLOYMENT INSURANC

RECON PERIOD:  
RECONCILIATION STATEMENT

PREPARED

PRIOR DDA BALANCE DDA STATEMENT SETTLEMENT \$

CURRENT RECONCILED CHECKS ITEMS  
CURRENT PAID NO ISSUE ITEMS  
SUB TOTAL (PAID CHECKS) ITEMS

DEPOSITS, CREDITS, & INTEREST ITEMS  
MISCELLANEOUS DEBITS ITEMS

DEBIT ADJUSTMENTS ITEMS  
CREDIT ADJUSTMENTS ITEMS

ENDING DDA BALANCE (CALCULATED) \$  
ACTUAL DDA ENDING BALANCE \$

PRIOR PAID NO ISSUE - REMAINING \$  
(PNI FROM PREVIOUS STATEMENT)

PRIOR PAID NO ISSUE - ISSUED \$  
(PNI FROM PREVIOUS STATEMENT)

DEBIT SETTLEMENT

CURRENT RECONCILED CHECKS ITEMS \$  
CURRENT PAID NO ISSUE ITEMS

MISCELLANEOUS DEBITS ITEMS  
(POSTED THIS PERIOD)

DEBIT ADJUSTMENTS ITEMS  
CREDIT ADJUSTMENTS ITEMS

TOTAL RECONCILIATION DEBITS \$

NOTICE: IF CHECKS HAVE BEEN PAID AGAINST YOUR ACCOUNT FOR WHICH THE BANK HAS RECEIVED NO ISSUE RECORD, THE TOTAL OF SUCH CHECKS IS NOTED ABOVE IN THE CATEGORY 'PAID NO ISSUE.' THESE CHECKS ARE IDENTIFIED IN DETAIL ON YOUR RECONCILEMENT REPORTS WITH A CODE #1 AND CODE #3. PLEASE REVIEW THESE ITEMS AND PROVIDE THE ISSUE RECORD OR INSTRUCTIONS WITHIN TEN DAYS OF RECEIVING THIS REPORT.

BANK NO. }  
ACCOUNT NO. }  
TEAM NO. 000  
DOLLAR UNEMPLOYMENT INSURANCE  
BANK  
RECAP OF POSTED ITEMS REPORT  
PAGE 1  
DATE

DATE PAID CHECKS  
ITEMS AMOUNT  
ISSUES  
AMOUNT  
STOPS PLACED  
AMOUNT  
STOPS REMOVED  
AMOUNT  
CANCELLED  
DATE  
AMOUNT

