

NPSD FINANCIAL SERVICES RFP QUESTIONS

NPSD Financial Services RFP Questions Received as of 03.14.19

- 1) What is the motivation for this RFP, are you dissatisfied with your existing provider or is this a requirement to execute a current RFP within a given time period?

Board mandated policy to conduct request for proposal every five years.

- 2) Do you have a single bank relationship now? Who is your current bank provider?

BB&T is the main depository. Have 4-5 investment accounts held at other institutions with Letter of Credit.

- 3) Please confirm that there are no hard copies of the proposal, only the application.

3 hard copies and an electronic copy on a flash drive of the proposal will be needed.

- 4) What Brand & Model of remote deposit scanners are you currently using? Are they owned by the School District?

NPSD owns 7 scanners, Panini. The district may be looking to obtain additional scanners.

- 5) What type of check stock do you use?

NPSD uses blank check stock that we purchase on our own for all accounts.

- 6) What are the number of checks deposited annually? Does this include tax collector accounts? How much cash (\$ amount) does the School District Deposit annually?

Three months of account analysis will be emailed to meeting attendees.

- 7) How are funds separated in deposit bags (mixed or denomination)?

NPSD may include multiple deposits within one deposit bag. Each deposit is separated and organized to identify the funds per deposit.

- 8) Can we get three months of account analysis statements to help determine average balances and monthly transaction volumes? Will the account analysis show quantities?

Three months of account analysis will be emailed to meeting attendees. The account analysis will show quantities.

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- 9) Can you please confirm the number of accounts, and the current account structure, including any ZBA's? Also, please provide balances for all accounts, including the investment account

Three months of account analysis will be emailed to meeting attendees to fulfill this request.

- 10) On Attachment B, Can you confirm if the 2,450 ACH items transmitted per file is the annual or monthly volume?

Each file (which can be 2 or 3 files per month) contain approximately 2,450 line items.

- 11) How often does the School District disburse checks?

Weekly for Accounts Payable and bi-weekly for Payroll.

- 12) Do you currently get image copies if your checks paid? Do you get a DVD of checks paid?

Images are available through electronically through the online platform. Additionally, the images are provided on the bank statements.

- 13) RDI- How do they manage this process currently? Do they receive paper notification or electronic notification and what is the timeliness of receipt? Does their current bank presently redeploy automatically and if not, is that a preference?

Manual daily review of bank account by a NPSD employee identifies any returned items. Additionally, the bank supplies paper notifications about a week later. No redeploy is being utilized at this time by the request of the district.

- 14) ACH credits- Does the District currently utilize EDI or CPN reporting to post and reconcile incoming ACH credits? If so, how is that report accessed by the district? If not, do you experience delay with posting high levels of ACH credits as a result of limited detail provided in the incoming transaction? How much time is spent posting and reconciling on a daily/weekly/monthly basis?

The district receives a limited number of ACH credits. Typically, the payee notifies the district of the payment. The current banking system provides NPSD information regarding payor name, description, and original trace number through the online platform. The reconciling process requires less than an hour a week to complete.

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- 15) Fraud Services - Besides Check Positive Pay, are you taking advantage of other fraud services such as Check Block positive pay, ACH positive Pay, ACH debit block? If so, please provide detail with regard to how many accounts are subscribed to each of the services listed. How are your current positive pay files transmitted to the bank? What is the current format? How are your current ACH files transmitted to the bank? What is the format? Is it a NACHA format?

NPSD utilizes ACH Positive Pay filters. No ACHs debits are permitted without a filter. There are 9 accounts utilizing Positive Pay and 6 accounts utilizing filters. A NPSD employee loads the check file or ACH file through the online platform. The ACH file is in a NACHA format.

- 16) For check payments to be converted to either card or ACH payments, can we obtain a vendor listing that contains the following information for each supplier: Name, Address, City, State, Zip, # of annual payments, \$ annual spend, payment type (check, ACH, wire, card, etc)

Not at this time.

- 17) Lockbox - For the interest in Lockbox, do you intend to consider a lockbox for general A/R and tax payments or just one or the other? Please provide additional detail surrounding your interest with this service. If the School District were to utilize a lockbox would you use a preprinted bill to your tax payers to include an OCR scan line? Would you envision one lockbox would be sufficient to direct all your payments. What fields of information do you need to apply the payment to your system?

Potential future uses of the lockbox include tax payments (8 collectors - ~35,000 parcels), Extended School Care payments (A/R), and Community Education Programs payments (A/R). Payments for Extended School Care would be monthly (~400-450). Payments for the Community Education Program are variable due to the number of programs being offered and the time of year (10-100). The district would require daily reporting of payments received and processed for recording in the financial system. Online access would also be needed. If the lockbox can be linked to multiple accounts and reporting provided, one lockbox may be sufficient.

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- 18) A/R - Does the district presently allow students, parents, taxpayers, etc. to make payments online? If so, please describe, in brief, how the online payment portal works presently, what kinds of payments are made and what options they have for paying; i.e., ACH (account / routing / name), credit card. Is a fee assessed for using the payment portal? If a payment portal isn't being used presently, is there interest in exploring this solution for increased A/R efficiency?

The district does allow online payments for meal payments, Extended School Care payments. Student technology fees, etc. The online payments (credit card only, no ACH) are accepted through a third party provider. The system collects payments and provides daily detailed reports for recording of payments into the financial system. For Extended School Care payments, a file that is compatible for upload into the A/R module will be necessary. Fees are applied but incorporated into payment amounts from payees.

- 19) Courier Service - Will the courier be going to all the schools in the district or will they just be going to one location? Also, will the school district require an armored car service or a courier service that is bonded?

One location will be used for pickup by the courier. The district requires coverage in the event any funds were mishandled/stolen during courier movement. The bank can provide either option to address the district's coverage needs.

- 20) Investments – Does the school district have a segregated pool of funds set aside for future plans and projects that maybe used not before the next 3 to 5 years?

Not at this time.

NPSD retains a fund balance of approximately \$40M that would carryforward assuming balance or surplus financial results. Investment of these funds is driven by cash flow needs. Additionally, the district maintains Bond and Capital Reserve accounts with balances currently assigned to projects to be completed in within the next 2-3 years.

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- 21) Investments - Could you provide additional detail as to the District's current/expected investment structure? Are most funds placed in liquid accounts (money market type of accounts)? Appetite for long term investments within the District's guidelines? Does the district need only working capital to be liquid? Does the district accept Act 72 collateral? For district FDIC CD's are they managed through a program like CEDARS or broker?

Investments are currently held jointly between CDs and MM accounts, across multiple institutions. With current yield curve, investments are being held at a year or less. The interest rate environment drives the allocation to either. Current funding needs do not allow for long-term (greater than a year) investments. Working capital will need to be liquid.

The district does accept Act 72 collateral in place of a Letter of Credit. It is important that institutions presenting proposals provide information within the response to explain collateral type used for Act 72.

NPSD utilizes broker service for FDIC CD's, Great Eastern.

- 22) What type of deposit tickets do you currently use?

The district prefers three part, NCR, deposit tickets.

- 23) Do you currently pay for service charges or are you holding a compensating balance to offset charges?

\$150 total for all accounts, returned check fees \$15 are also charged.

- 24) What is your goal/strategy around the overall AP process? What are your key drivers?

To generate rebate revenue associated with purchasing activity.

- 25) Does North Penn currently use an e-payables program? If so, who is the provider of the program and what is the monthly/annual volume of spend?

No

- 26) Does North Penn currently use Ghost/Lodged Cards (cards used exclusively for one particular vendor)?

No

- 27) Is the school district generating virtual card numbers or single-use card numbers to regularly pay suppliers?

No

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28) What ERP system are you using? What is your current computer system? Is this used for posting payables and receivables? Will there be any planned upgrades or changes to this system?

NPSD currently utilizes eFinance, which is owned by PowerSchool. The district may be looking to complete an RFP for a finance system in a year or two.

29) Who is your current provider and what does your process look like today?

Easy Procure - PNC

30) Are any other agencies or groups other than North Penn SD a part of the current program or is this a single entity program?

State-wide program available to all public school districts.

31) Is it Visa or MasterCard branded?

Visa

32) How many procurement cards do you anticipate distributing?

~40

33) What is your anticipated average transaction size per procurement card purchase?

A procurement card analysis will be emailed to meeting attendees

Rebates generated

- 17-18 \$76,287
- 16-17 \$36,565
- 15-15 \$51,221

34) Will the School District accept Corporate Pay / Corporate Liability for the Pcard program?

The district accepts liability.

35) What is the desired revenue share payout schedule (annual, bi-annual, quarterly)?

Annual

36) Would you have a preference for a Visa or MasterCard branded card?

No preference

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37) How much of the current purchase card program annual spend, if any, is in Non-US dollars?

None

38) What are the current program payment terms (Pay in full or revolving), payment cycle + grace period?

Pay in full. The period ends on the 26th of the month with payment due on the 1st of the following month.

39) Do you have a need for cash access on the Purchasing and/or Corporate Cards?

No

40) Do you expect to use the procurement cards for Travel and Entertainment as well as Purchasing?

Potential use for T&E

41) Is North Penn School District willing to explore a fully integrated payments process that includes all payment types? (ie: check; ACH; card; wire)

Possibly, depending on cost of program and benefits to the district. Efficiency gains or additional revenue generation would be considered.

42) Are you willing to provide a full AP file including supplier names, addresses, annual payment amounts, and methods of payment for analysis?

Not at this time.

43) What are typical payment terms with suppliers?

30 days

44) Do you have a T&E program in place today? If so, how do you handle employee reimbursement and reconciling/mapping transactions to General Ledgers?

The T&E program is a manual processing for requesting and preparing reimbursements. All employee reimbursements are paid by ACH.

45) Is AP or procurement responsible for initiating payments to suppliers?

A/P

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46) Will the School District accept a link to the Banks website that provides access to audited financial statements?

Yes

47) Is there a question cutoff time?

March 27th by 5PM

48) Is the district willing to accept multiple vendor solution (i.e. investments, pcard, main depository)?

It would be the preference of the District for one vendor. However, the District has a responsibility to taxpayers to maximize revenue generated from banking services and will accept multiple vendors.

49) How frequently would the district require courier services?

Daily

50) How are procurement cards assigned throughout the district?

There are some cards assigned to individuals and some to a department.

51) Is the reconciliation process of the procurement card manual?

Yes. Card holders are responsible for preparing their own card reconciliation and providing supporting documents to the Business Office.

52) How do you use your local branch today?

The district has two couriers that transfer funds to the bank. The food service courier conducts daily pickups of prior day deposits. The district courier conducts daily pickups from ESC to the bank. Middle School deposits are taken by building secretaries (student activities deposits) to the bank. High School deposits are taken by security guard (student activities deposits) to the bank.

53) Has the district seen reduction in cash payments?

Yes, through third party vendors accepting ACH payments.

54) What does the district see for the future of check payments?

The district is looking at eliminating check payments. ACH would be the required payment type.

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55) Regarding the recent \$20M bond issuances, what is draw down schedule?

The district anticipates the utilization of those funds for professional services payments that will occur from now until May 2020. Contractor payments will begin after May 2020.

56) With regards to your payable file submission process, is it a single file submission or are you sending separate files?

Payments are batched by fund. One file is sent per fund.