

REQUEST FOR PROPOSALS FOR BANKING SERVICES

I. INTRODUCTION

A. Objectives

The **Your Nonprofit**, a nonprofit corporation is seeking competitive proposals for various banking services. It is the Organization's goal to receive accurate, timely depository and account maintenance services, maximize the utilization of idle funds, minimize risk of loss, receive sound investment and banking service advice, utilize modern electronic and automated banking options and to accomplish these goals at the lowest reasonable cost.

B. Instructions

1. *Sealed Proposals:* Responses to this Request will be submitted in a sealed envelope, clearly identified, mailed or delivered as follows:

Your address

2. *Responses:* Each proposer shall submit only one proposal. This proposal must be on the standard forms provided as **Exhibit A**. Supporting material may be submitted and is encouraged; however, the decision in selecting the most responsive proposer will be based on the standard proposal forms provided.
3. *Copies:* Each proposer must submit three copies of its proposal. However, only one set of financial statements need be submitted.
4. *Questions and Additional Information:* Request for clarification or additional information should be made in *writing* to: **Your preferred contact information**
5. **Schedule:** The following schedule will be adhered to:
 - December 22, 2009-----Distribution of Requests for Proposals
 - January 18, 2010-----Proposals must be in the possession of the Finance Director by 2:00 p.m. this date. No exceptions!
 - January 18-21, 2010-----Proposals will be reviewed, bidders may be questioned.
 - January 25, 2010-----Notification to all proposers on selected bank
 - January 30, 2010-----Implementation date for this banking contract.
6. *Selection Criteria:* The following criteria will be used to evaluate the responses and to select the winning bank:
 - Complete response to all required items on the standard form,
 - Aggregate banking services cost, per identified activity and corresponding compensating balances,
 - Ability to meet current and projected service requirements over the term of this banking agreement (any past experiences with the Bank will be taken into consideration),
 - Best arrangement and rate for overnight investment,
 - Best availability schedule for deposit items,
 - Capacity to provide numerous electronic banking services,
 - Services offered by and ease of use of online banking package.

7. *Pre-Award Interviews.* When the Finance Director has reviewed and rated the proposals, an interview may be requested for candidates to go into greater detail and/or for clarifications, to visit relevant Proposing Bank facilities and to view demonstrations of software or systems as outlined below.
8. *Award Recommendation.* When the Finance Director has reached a decision on which Bank to recommend for Contract Award, s/he may schedule an additional conference to complete negotiations prior to presentation of the recommendation to the Organization's Board. At any time during the conference(s), the Finance Director may choose to modify her choice of selected proposer if the Finance Director in his discretion, determines that such a change is in the best interest of the Organization.
9. *Terms and Conditions*
 - a. The Finance Director reserves the right to reject any and all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items. The award will be to the proposer whose proposal complies with all the requirements set forth in the RFP, and whose proposal, in the opinion of the Finance Director, is the best proposal taking into consideration all aspects of the proposer's response, including the total net cost to the Organization.
 - b. In the event that the proposer to whom the services are awarded does not execute a contract within thirty (30) calendar days after the award of the bid the Finance Director may give notice to such proposer of intent to award the contract to the next most qualified proposer or to call for new proposals and may proceed to act accordingly.
 - c. The standard proposal form indicates an estimate of the number of transactions for the year. This number is the Organization's best estimate of the average volume and the Organization in no way guarantees these as minimum or maximum volumes.
 - d. Proposers shall thoroughly examine and be familiar with these specifications. The failure or omission of any proposer to receive or examine this document shall in no way relieve any proposer of obligations with respect to this proposal or the subsequent contract.
 - e. Qualified proposing banks must meet the following **minimum criteria**:
 - i. A bank submitting a proposal must be a Federal or Maine chartered bank **with a bank location in Your Area**, capable of servicing the Organization's bank accounts and be a member of the FDIC. The bank must be in compliance with all laws, rules, regulations and ordinances of the United States, and the State of Maine at the time of the proposal submittal and, if awarded a contract, remain in compliance for its duration. The Bank also must have adequate capitalization, organization, facilities, equipment and personnel to assure prompt and efficient service to the Organization.
 - ii. The Organization, as a primary recipient of certain federal funds, is required to obtain written assurance from the bank that it is an Equal Opportunity Employer and Lender. Appropriate supporting documentation of the bank's policies in this regard must be provided and retained on file by the Organization and available for examination by federal agencies.
 - iii. Submit financial statements for the past two fiscal years (must include an auditor's unqualified opinion and appropriate notes to financial statements).
 - iv. The Awarded Bank will agree to permit access to its records by the Organization's Finance Department, its agents, the State Auditor's Office, and if there is federal involvement, federal auditors for the purpose of examining records pertaining to Organization's funds. The Awarded Bank will agree to

cooperate in any prosecution for misuse or misappropriation of Organization funds. Records of Organization transactions must be kept and maintained by the Awarded Bank for a period of no less than seven (7) years.

- v. The Organization assumes no cost of the proposers for the preparation of this proposal.
- vi. Failure to comply with any of the terms and conditions in this RFP by the Awarded Bank will be cause for termination of the "Banking Contract" to be entered into.

C. Contract Periods

The contract will be for a period of five years. The contract starting date will be [Date](#) unless another date is determined by the Organization to be more practical.

This contract may be extended by mutual agreement with two successive one year options in favor of the Organization to renew the appointment automatically on the same terms and conditions.

A sample contract is included as **Attachment B**.

D. Modifications and Amendments

During the contract period, or any extension thereof, the Organization reserves the right to renegotiate with the bank such additions, deletions, or changes as may be necessitated by law or changed circumstance. However, no increase in quoted unit prices will be permitted and no additional charges shall be added to items or services in the original proposal that remain unchanged.

Each proposal shall be signed by a person legally authorized to bind the bank to a contract.

All proposals shall have a statement that the proposer has read and understands all conditions as outlined in this RFP. All proposals shall state that no person acting for or employed by the Organization has a direct or indirect financial interest in the proposal or in any portion of the profits which may be derived therefrom.

E. Cancellation of Contract

By notification: either party may terminate the contract upon giving written notice of at least ninety (90) calendar days. This provision may be exercised only after the contract has been in effect for three (3) calendar months. The Bank shall be entitled to just and equitable compensation for any satisfactory work completed up to the termination date. Under no circumstances will any damages be paid as a result of the termination of the contract.

For cause: In the event of a breach of the contract by the bank or unsatisfactory performance as assessed by the Finance Director, or if the bank performs in a manner that precludes the Organization from administering its functions in an effective manner, the Organization will provide written notice of the breach or unsatisfactory performance. If the bank has not been able to remedy the breach or improve performance within thirty (30) days following the written notice, then the Organization, with the approval of the Organization Council, will upon written notice to the bank, be authorized to cancel this contract by giving a maximum of thirty (30) days as the final termination date of the contract.

II. SCOPE OF BANK SERVICES

A. Accounts Included

General banking services will be conducted within one master bank account. Total Organization budget is approximately **Your Budget** per year, with no employees, and administrative support provided through **specify whether internal staff or administrative contract**.

The Agency is requesting a line of credit approximating \$100,000 and terms with the line of credit.

In the future, other accounts, either subsidiary to the General Account or stand-alone may be established according to the needs of the Organization's finances.

B. Account Structure

Disbursements for Organization accounts payable, whether by check, ACH or wire transfer will flow directly through the General Account.

The Organization reserves the right to open additional accounts, either zero-balance or regular accounts as required, during the contract period at the price proposed in this proposal provided the Awarded Bank is furnished notification at least thirty (30) calendar days before implementation date.

C. Availability of Funds

For the General Account, deposits will be made as needed by an organization employee or electronic means to a branch location.

Awarded Bank agrees to credit the Organization's **General Account** for selected items according to the following schedule:

1. Incoming Wire Transfers - same day credit regardless of time of receipt during the day.

All other checks will be based on the Awarded Bank's "availability schedule." Proposing banks are required to attach a copy of their current "availability schedule" to the proposal. Awarded Bank agrees to notify the Finance Director, in writing, of any changes to the schedule. The Finance Director reserves the right to periodically audit the Awarded Bank's compliance with its existing "availability schedule."

D. Online Banking and Reporting

The Awarded Bank will be required to provide the Organization with its available Internet banking software package that shall have at least the following minimum capabilities. Use of the software by multiple (at least 2) Organization personnel will be included in the contract and pricing structure. Proposals must state cost per licensed user, if applicable.

1. State of the art encryption, security and password protection,
2. Previous day ledger, available and float balance and detail viewing and reporting,
3. Current day ledger, available and float balance and detail viewing and reporting,

4. Definable, sortable period viewing and reporting with statement-level detail,
5. NACHA batch file upload, verification, approval and reporting,
6. Stop payment placement, verification and reporting,
7. Item searching, especially but not limited to cleared checks, with imaging and print capabilities for at least 90 days of history,
8. Wire transfer initiation, approval and reporting, with templates for repetitive use,
9. Lockbox file upload in QuickBooks compatible format and reporting,
10. Secure two-way messaging capability.

Documentation of the software security must be provided for review by the Organization's Finance Director. All proposers shall make available a live demonstration of their software.

E. General

The Organization's policy is to provide maximum protection of its deposits.

The Organization reserves the right to separately invest excess funds through the depository bank or other institutions. The Organization **does not have [or has]** a formal Investment Policy.

F. Wire Transfers- Incoming

The Organization intends to consider all wire transfers received by the bank prior to the end of the business day, as "available for investment" by the Organization, regardless of the time of actual receipt by the bank. Should a wire transfer not be received by the Bank, as specified above, then the wire transfer will be traced from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made as soon as possible for any lost interest.

G. Account Reconciliation

The Organization will provide its own account reconciliation services with specific item assistance from the Bank to clear up discrepancies that may occur. Bank shall provide, at a minimum:

1. Statement and detail reporting and printing capabilities with period and sort choices as part of the online software detailed in **Section D** above,
2. Access to images of checks cleared within the last 90 days (minimum) as part of the online software detailed in **Section D** above,
3. A CD containing images of all incoming checks and bill stubs processed through the lockbox payment system during a calendar month,
4. The software necessary to archive, index, view and print all items included on the web site and CDs provided under items 2 and 3 above. Such software shall be capable of installation on multiple Windows-based computers. Awarded Bank shall provide assistance with installation and troubleshooting to the Organization to assure its functionality for the intended purpose.

Bank will provide the Organization within ten (10) business days after the end of the month the Account Reconciliation items.

H. Statement and Advice Frequency

Monthly bank statements will be for the full calendar month and will be delivered to the [Your Nonprofit](#), within ten (10) business days after the end of the month.

A **Monthly Service Charge Report** for a particular month will be completed and delivered to the [Your Nonprofit](#) within ten (10) business days after the end of the month.

I. Designated Account Executive

The Organization requests that the proposing banks provide the names of a designated account executive, as well as an alternate. The designated account executives **must** have the authority to make timely decisions in the normal course of business on their own.

Resumes must be provided for all key account executives designated to service this account.

J. Other Banking Services and Conditions

1. All checks returned due to insufficient funds will be automatically deposited a second time. Please include your charge (if any) for this item in **Appendix A** with the other costs. Checks that are still "uncollectible" after this second attempt will be returned to the Organization for processing.
2. Stop Payments will be issued to the bank through the online software detailed in **Section D** above. It will be the Organization's responsibility to determine whether the check in question is shown as being cleared as of the end of the preceding business day through the same software prior to placement of a Stop Payment request. The online software shall report a printable confirmation that the Stop Payment has been placed. If the bank finds that the check has been cashed, the bank will immediately forward to the Organization a copy of the cashed instrument. A cancellation of a Stop Payment order will be processed as above. The Bank shall be responsible for any item cashed if said item has been confirmed as a Stop Payment and is subsequently cashed by the Bank.
3. The Organization validates checks received with self-inking "For Deposit Only" stamps that contain the required information about the Bank and the Organization's General Account. Awarded Bank shall provide one such stamp at the start of the Contract.
4. No debit or credit memos required to adjust errors caused by the Bank will be charged to the Organization. All bank errors must be corrected within three (3) business days of notification by the Organization and be listed separately from any other transactions.
5. The Organization will print their own numbered checks through their respective software systems.
6. Duplicate deposit slips will be provided to the Organization by the Bank, pre-printed with account name and number at no cost to the Organization.

K. Lock Box Service

The Organization may use a lock-box service for its payments and this service must be a part of the Proposing Bank's offerings. Information on the bank's lock box service should include but not be limited to the following:

1. The time and frequency the bank will pick up all items in the box.

2. Criteria used by the Bank personnel to process the payments, including copy of lockbox agreement showing the Organization's choices available for various scenarios that may arise,
3. Bank's method of entering checks into the bank's computer system, i.e. manually or scanned.
4. Method utilized by the Bank to transfer the information to the Organization.
5. Bank's policy on handling correspondence received with the check and/or stub,
6. Bank's policy on handling questions concerning payments. Will the customer be contacted or the

L. Cash Flow Management

The Organization will require a line of credit or comparable cash flow management device. Proposing banks should include a description of their program and terms.

SAMPLE

**EXHIBIT A YOUR NONPROFIT RFP for Banking Services – Technical Response Form Monthly
Banking Costs (Return this Sheet with Your Proposal)**

Services	Estimated Monthly Volume	Unit Price	Monthly Cost
Basic Services:			
FDIC Insurance Charge	1		
Account Maintenance	1		
NSF Returned Items	0		
NSF Paid Items	0		
Other Services – Not Listed Above			
Deposited Services:			
Non-Cash Deposit Corrections	1		
Debits – Checks Paid	500		
Credits – Deposits	52		
Return Item	0		
Electronic Debit	1		
Electronic Credit	1		
Stop Payments	1		
Other Services – Not Listed Above			
Investment Services			
List interest bearing vehicles available and current rates			
Wire Transfer			
Service Costs – Please list			
Lock Box			
Service Costs – Please list			
Cash Flow Management			
Line of Credit or other loan vehicle – Please list terms and rate			
Account Reconciliation			
Service Costs – Please list			
Information Services:			
Service Costs – Please list			
Miscellaneous:			
CPA Confirmation	1		
Other Services (Please list)			

ATTACHMENT B
Master Banking Services Agreement

THIS MASTER AGREEMENT is made this ____ day of _____, 2010, between the **Your Nonprofit** and _____ (the "Bank").

The Organization on December 22, 2009 issued requests for proposals (**Attachment A**) from financial institutions to provide comprehensive banking services to the Organization. On January XX, 2010, the Bank submitted a proposal to provide the requested services for the prices set forth in their proposal (**Attachment B**). On January xx, 2010 the Organization approved acceptance of the Bank's proposal and the Board Chair to execute an agreement for banking services with the Bank.

NOW, THEREFORE, in consideration of these premises, the Request for Proposal set forth in **Attachment A**, the proposal set forth in **Attachment B**, and the covenants and agreements contained in this Agreement, the parties agree as follows:

I. BANKING SERVICES

The Bank shall:

1. Establish a General account structure;
2. Provide availability for the funds deposited according to the following schedule (**Attachment A**);
3. Wire transfers -- same day credit, regardless of time of receipt during the day.
4. Availability of deposited funds -- in accordance with the Availability Schedule as contained in the proposal (**Attachment B**) or as subsequently amended. Copies of any amendments to be provided to the Finance Director.
5. Provide online inquiry, reporting and other services as specified in **Attachment A**.
6. Provide the account reconciliation services described in detail in Section II, G of **Attachment A**.
7. Provide the statements and reports as required in **Attachment A**.
8. Automatically redeposit all checks returned due to insufficient funds a second time and make the appropriate notification to the Organization as described in **Attachment A**.
9. Provide the other services and meet the requirements, as specified in **Attachment A**.

II. ORGANIZATION'S RESPONSIBILITIES

The Finance Director of the Organization shall:

1. Deposit all checks and cash items into the General Account, as specified in Section II of **Attachment A**.
2. Notify the Bank of any delays in wire transfers and provide the Bank authorization to initiate the appropriate tracer or follow-up.
3. Make appropriate arrangements with the Bank for safeguarding wire transfers.

The Organization herewith accepts the costs and services, and exceptions, as proposed in **Attachment B**.

This Agreement shall be for the period beginning January 30, 2010 and ending January 29, 2015, with a mutually agreeable option to renew for two additional one-year periods (for a maximum contract period of seven years). Banking service charges for the option periods will be in favor of the Organization to renew the appointment automatically on the same terms and conditions.

Either party may terminate this Agreement at any time by providing written notice to the other party no later than ninety (90) calendar days before the proposed termination date. However, the termination provision may be exercised only after the Agreement has been in effect for three calendar months. The Bank shall be entitled to just and equitable compensation for any satisfactory work completed to the termination date.

Neither party to this Agreement will be held responsible for delays caused by acts of God or other factors beyond the control of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date above.

ATTEST:

YOUR NONPROFIT

By: _____

ATTEST:

BANK

By: _____

SAMPLE