Gallatin County Board of Education Banking Proposal

Prepared by

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VP | Treasury Management



Official Quote Form and Response





Gallatin County School District Banking Services Bid Specifications December 15, 2016

Bid item: Banking Services / Direct Deposit Proposal for March 1, 2023- June 30, 2025

Bid deadline: January 25, 2023 1:30 PM Bid opening: January 25, 2023 2:00 PM

Special bid Conditions: (No Response Required)

1. Contact Person: Information pertaining to any item or condition in this invitation to bid may be obtained by communicating with Kerri Alexander, Director of Finance.

- 2. Invitation to Bid: Sealed bids will be received no later than 1:30 pm, eastern standard time, January 25, 2023. The bids are subject to the specifications and conditions contained herein. Any bid received after the announced time and date of the opening will not be considered and will be returned unopened. The outside of the sealed envelope should be labeled "GALLATIN COUNTY SCHOOLS BANK BID ENCLOSED."
- 3. Intent of Request for Proposal of Bid: The intent of this invitation is to receive bids from state and national banks chartered in Kentucky and insured by an agency of the government of the United States to serve as the official primary depository for the Gallatin County Board of Education, hereafter called Board. The period of the bid begins March 1, 2023 and ends June 30, 2025.
- 4. Collateral: The depository bank shall be a member in good standing with the Federal Deposit Insurance Corporation (FDIC). As such, agree to provide the cumulative total of Board accounts with \$250,000 FDIC Insurance and that any amount not insured by the FDIC, demand deposit and certificates of deposit will be collateralized by pledges of securities. Only eligible types of securities may be pledged as collateral as defined by Kentucky Revised Statutes 66.480. These securities shall be held in custody by an authorized custodian. The authorized custodian shall send a safekeeping receipt directly to Board whenever there is a change in collateral. Your signature on this bid document validates meeting collateral requirements.

Bid specifications: (No Response Required)

Given in the bid are the bank services required for any participating depository, sections A through J. All eligible bidders will provide their response to the requested services, (items E,F,H, and I are required), and sign the bid.

The Board reserves the right to place the depository where it will be in the best interest of the Gallatin County School District, including convenience of services.

Attached is a sample copy of the Bond of Depository that must be sent to the Division of Finance once a banking institution is selected by the Board. Each responsible bidder must be in agreement with the conditions of the Bond of Depository and provide the collateral protection required by the Kentucky Department of Education, Division of Finance.

Depositories and bank services provided for the Board must be in compliance with all federal and state banking laws. The escrow agent must file safekeeping receipts with the Board as evidence that collateral has been pledged in accordance with the provisions of the Bond executed by the depository institution. The amount of collateral required is set by the Board annually based upon the Division of Finance's recommendation.

Respond as Required to the following sections:

A. Collateral for Investments (Information Only - No Response Needed)

The depository will agree to fully collateralize funds invested with the bank by the Gallatin Board of Education using allowable investment as stated in Kentucky Revised Statues, as required by 702 KAR 3:090, in the amount of 103% of the current daily balance.

B. Funds Included (Information Only – No Response Needed)

The banking services being considered for bid are those accounts operated by the Gallatin Board of Education and include General Fund Account and School Activity Account(s) as well as Bond Issue funds if the institution is in agreement.

C. Right to Obtain Quotes for Investments (Information Only - No Response Needed)

The Board reserves the right to negotiate the terms of investments, and is not limited to investing with the primary depository. All long term investment funds may be dealt with on a quote basis as investment needs arise. Any institution wishing to quote at those times must provide approved pledges to meet the penal sum and collateral requirements stipulated by the Kentucky Department of Education for school boards as required by KRS 41.240.

D. Short Term Borrowing (Information Only – No Response Needed)

The Board will follow requirements of KRS 160.540 for short time investments, which states "[a]ny board of education may borrow money on the credit of the board and issue negotiable notes in anticipation of revenues from school taxes and state revenue for the fiscal year in which the money is borrowed, and may pledge the anticipated revenues from state and local sources for the payment of principal and interest on the loan. The rate of interest shall be at the rate or rates or method of determining rates as the board determines. In all cases such loans shall be repaid within the fiscal year in which they are borrowed.

E. Other Banking Services (Response Required) If any items cannot be provided, please provide detailed written explanation.

- 1. Provide interest bearing accounts to the Board.
- 2. Monthly statements of its account will be provided by the 5th business day of each month.
- 3. Online banking shall be provided for finance staff and superintendent for the administration, reporting and reconciliation of Board funds.
- 4. Notify the Board Treasurer of a shortage of a balance in above mentioned accounts, so that deposits can be made the same day to cover shortage. No charge for insufficient funds unless it exceeds a 24-hour period.
- 5. No charge for processing and sorting of checks or copying of checks in numerical order.
- 6. No charge for purchase or sale of securities originated by depository bank.
- 7. Deposit tickets will be provided at no cost to the Board.
- 8. The Board will receive credit for certificates of deposit purchased the same day deposits are made.

E. Other Banking Services (Response Required) (Continued):

- 9. The auditing firm that annually audits our books will require the assistance and cooperation of your firm, such as record of all investments and other information they may deem necessary.
- 10. No charge for stop payment of checks, or any other standard services charges.
- 11. A safe deposit box provided as needed.
- 12. Allow the Board to take advantage of any new type service(s) or new investment procedure(s) that may become available and permissible for Board of Education during the term of this contract.
- 13. Provide employee direct deposit at no charge.
- 14. The primary depository shall appoint one employee of the financial institution to be the person responsible to the Board for compliance with the terms of the adopted proposal and to make sure all transactions of the Board are handled promptly and efficiently.

Please provide below the name, address and phone number of the Bank's local contact person(s) that will be handling the Board's account if awarded to this bank. It is understood that these individuals will have decision making authority and Board employee's will not be routed to out of town offices when questions arise.

		Please list below: Name of Contact: Justin Alexander			
		Position: Financial Center Manager			
		Location: Warsaw, KY			
		Contact Number: <u>859.567.6100 Ext. 2540</u>			
F. Bid on Interest Rate for Checking Account (Response Required)					
	Interest shall be paid on all deposits maintained by the Board of Education starting on date of deposit				
	2.	Interest shall be calculated and paid based on a rate indexed to the Federal Funds Target Rate on the daily balance.			
	Plus (+) Minus(-) * basis points above/below Federal Funds Target Rate				
	3.	Will a compensating balance be required? Yes: No:X Services Proposal If yes, provide amount below:			

G. Bid on Loans (Optional)

In the event the Board needs to borrow funds, as the official depository, we agree to extend credit to the Board, at the following rate per annum: Open to discussion as needs arise.

\$50,000 or less	percent + or - prime
\$50,000 - \$90,000	percent + or - prime
\$100,000 - \$150,000	percent + or - prime
\$150,000 – limit of your bank	percent + or - prime
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Please state legal lending limit:	

H. Direct Deposit (Response Required)

The Board offers employees direct payroll deposit. Please detail the process for implementing and processing direct deposit, such as the method to be used. Specify the minimum lead time needed to provide payroll data to your office to ensure that payroll will be available to every employee's account regardless of the financial institution the employee(s) use.

Employees are paid on the 15th and 30th each month, however, when pay days fall on a holiday or the week-end, the pay date becomes the last previous business day prior the holiday or week-end. Note, that in June all 10-month employee payroll checks for July and August are processed.

Please list all other pertinent information relative to direct deposit. Detail services that your institution would render to support this project and associated cost and list references of other entities, especially school districts, in which you provide a direct deposit program. Please attach your response to direct deposit on a separate page.

Other Bank Services (Optional)

Please list any other products or services that your bank can provide the Board that are not listed in this bid document. Products that will increase the efficiency of the financial operations of the Board will be evaluated at the time of the bid.

Please see attached Business Services Recommenda	tion.

I. Bidder Agreement (Response Required)

Contracts will be executive for a term of 24 months from March 1, 2023 through June 30, 2025.

The undersigned agrees, if this bid is accepted within specified time, to provide all items of services and prices upon which we have quoted in accordance with the Bid Invitation.

The undersigned further declares that this bid is in all respects fair and without collusion of fraud that no member of this Board of Education of the Gallatin County School District or other officer of said school district or any person in the employment of said school district has directly or indirectly interest in this bid or any portion of the profits thereof.

Firm Name: German American Bank

By: Christip M. Engra

Title: Vice President, Treasury Management

Address: <u>1854 Midland Trail</u>

Shelbyville, KY 40065

Phone: <u>502.647.5132</u>

Date: <u>01/25/2023</u>

J. LENGTH OF CONTRACT

The District is interested in establishing a stable relationship with the selected bank. To do this, the District would like to develop an agreement with an original term of two (2) years and 4 months with an option to renew for additional years. After the initial term, fees can be renegotiated should this be deemed necessary.

Either party with a 60-day written notice may terminate the contract for any reason.

Also, the District can terminate the agreement immediately should, in its sole opinion, information be received relating to the declining creditworthiness of the bank or adverse changes General Conditions.

Banking firms may be required to submit to an interview as deemed necessary.

Responses to Items E,F,H,and I are required in order for the bid to be considered.

The Board will select the bid based on the best evaluated bid for banking services. The criteria for selection will include areas that affect the economy and effectiveness in the operation or use of the product, to include: reliability, maintainability, useful life, residual value, and time of delivery, delivery of services, quality and past history, performance, or completion. The right is reserved by the Board to reject any or all proposals submitted.

The Board does not discriminate on the basis of race, color, national origin, age, religion, creed, marital status, sex, or handicap in employment, educational programs, or activities as set forth in Title IX, Title VI, Section 504. KRS 45A.455 prohibits conflict of interest, gratuities, and kickbacks to employees of the Board in connection with contracts for supplies or services, whether direct or indirect. KRS 45A.990 provides severe penalties for violations of the laws relating to gratuities or kickbacks to employees which are designated to secure a public contract for supplies or services.

Return sealed bid to: Gallatin County Schools (Banking Services Bid)

Kerri Alexander, Director of Finance 75 Boardwalk, Warsaw KY 41095

Attachments: Copy of Bond of Depository Form

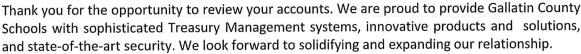
Business Services Proposal Summary





Business Services Proposal Summary for:

Gallatin County Board of Education





Below is a summary of our recommendation:

Certificates of Deposit:

8 month - 3.22% 3.25% APY

15 month - 3.57% 3.60% APY

Fed Funds Rate

Less than or equal to .99%

1% but less than or equal to 1.99%

2% but less than or equal to 2.99%

Equal to or greater than 3%

Checking Account(s) Structure:

Prestige Select Checking

- Earn interest on entire balances, funds collateralized
- Exclusively for municipalities, schools and not for profit agencies
- Tiered interest rate to allow for adjustments in rate environment:

GAB Proposed Interest Rate

Fed Funds minus (-) 0.25%

Fed Funds minus (-) 0.50%

Fed Funds minus (-) 1.00%

Fed Funds minus (-) 1.50%

* Interest rate as of 01/25/23 would be **3.00**%

Floor: The proposed interest rate described above shall be subject to a minimum interest rate (Interest Floor) of 0.25 %

Ceiling: The proposed interest rate described above shall be subject to a maximum interest rate (Interest Ceiling) of 3.50%

Adjustment Period: German American Bank will adjust the rate within seven (7) calendar days following a Federal Open

Market Committee (FOMC) Fed Funds Target Rate adjustment.

* Collateralized Deposit Accounts – Deposit balances above \$250,000 are secured by assets of the Bank. All funds remain with one financial institution instead of being spread out over several. Bank provides a collateral agreement and listing of collateral pledged.





Recommended Treasury Management Services:

	Solution	Benefits	Key Features	
*	Business Online Banking	Allows your business to do its banking virtually. Access to a dedicated Relationship Manager for training and questions and to a dedicated support team for ongoing service.	 Multiple Users Multiple Tax IDs Other TM services Bill payment Online statements Info reporting Search transactions Stop payments Transfers 	
*	ACH Payments/ Direct Deposits	Cheaper than printing and mailing a check, ACH payments are secure, convenient for your business and the receiver, saves time and reduces human error. Send payments electronically one-time or on a recurring schedule.	 Accounts payable, vendor, payroll or T&E payments Federal and state tax payments Dual Control for Segregation of Duties 	
(A.6)	Elite Credit Card	Streamline the procure-to-pay process. Cash rebate awarded annually if spend is met. Robust spending and card management control through online tool. Increase rebate amount by letting our specialists determine which vendors accept cards for payment.	 Payment tool to pay for business purchases \$250k annual spend or more Subject to credit approval Pay in full each month Online management tool 	
	Merchant Services	Accept all major credit cards with a team you can trust. Education around security and protection of your merchant account is provided by our team specialists, as well as training and service. No term limits or termination fees, competitive pricing, and top-notch technical support.	Terminals Mobile Website ACH and card payment Donations	
*	Positive Pay	Mitigates fraud on your business checking account by allowing only wanted ACH and issued checks to clear. Instead of manually searching for exceptions to your allowed transactions, email notifications are sent. Instead of completing an affidavit of forgery in a bank branch for fraudulent items, fraudulent items are returned from the comfort of your desk.	Mitigate fraud on checking account Allow only wanted ACH and issued checks	

^{*} Denotes services currently provided by German American Bank to Gallatin County Schools

Complimentary Services (Response to Section E):

German American Bank agrees to provide all items and services as requested, including:

Treasury Management Fees Waived (Business Online Banking, ACH, Positive Pay)

Night depository services with deposit bags

Dedicated technical support for banking products on an ongoing basis via Treasury Management

Contact and our Treasury Support Team

Assistance and cooperation with independent auditors, as authorized

Web Image Service (Cloud-based statement retrieval)

No charge for Cashier s Checks

Complimentary checks and deposit slips for all accounts

Free personal account for direct payroll deposit/

Available to any Gallatin County Schools employee via Smart Work Perks

Direct Deposit Information (Response to Section H):

Gallatin County Schools currently utilizes ACH through German American Bank. No additional implementation required.

Cut-off time for ACH credit is 4:45 pm EST the prior day

Cut-off time for Same Day ACH credit is 1:30pm EST

Transactions scheduled to post on a holiday may be scheduled to be paid the business day prior to the holiday

Additional School Systems Currently Using German American Bank Direct Deposit:

Owen County Board of Education Owenton, KY

New Albany - Floyd County Schools New Albany, IN

Greater Clark County Schools Jeffersonville, IN

Silver Creek School Corporation Sellersburg, IN





Additional Offerings





GALLATIN COUNTY WILDCATS SCHOOL SPIRIT CHECK CARD

Every purchase earns \$\$ for your school!

- German American Bank will work with your school to create a quality check card people will be proud to carry and use!
 Our contactless check card puts your school logo front and center on a white background. All cardholder information will be listed on the back of the card. This means nothing will print over your school logo!
- German American Bank will promote the School Spirit Card program to maximize card usage and the money earned for your school!
- The German American Bank team will present a check each quarter to your school for the money earned!

Every purchase will automatically earn your school \$0.02!

In 2021, German American Bank donated

\$75,271.38

to local schools participating in our School Spirit Card program!



How do people participate?

- Open a checking account with German American Bank and request a Gallatin County Wildcats School Spirit Check Card.*
- 2. Use your School Spirit Card for everyday purchases.
- 3. German American Bank will award your school with \$0.02 for each purchase.

If a German American Bank Check Card is already held, the cardholder may stop by any local German American Bank office to request an upgrade to your school spirit check card at no additional cost.

*Check card requires a German American Bank checking account and approval of check card application.



Open your SMART Werk Perks

Get \$50

when you have a direct deposit set up into your account within 45 days of account opening

Your \$MART Work Perks account details and benefits include...

Account details1

- · No minimum balance
- A monthly direct deposit into your \$MART Work Perks account is required.
- Avoid a \$7 monthly maintenance fee when the total of your monthly direct deposits is \$500 or greater.

Get these great benefits:



Convenient Anywhere Banking Tools:

- online banking
- mobile banking
- bill pay

- mobile bill pay
- mobile deposit
- eStatements
- · unlimited check card transactions and check writing
- free BankLine 24 telephone banking
- access to over 55,000 ATMs worldwide with the Allpoint ATM Network²





ShieldPerks powered by Bazing

Local and national network of savings³

Local discounts and national retailer deals to save you money on shopping, dining, travel and more.

Cell phone protection³

Receive up to \$600 per claim (\$1,200 per year) if your cell phone is broken or stolen. To be eligible, pay your cell phone bill through your \$MART Work Perks Checking account.

Identity theft protection³

Includes payment card protection, \$2,500 in personal identity protection and identity theft aid. Activation required.

Roadside assistance³

Available 24/7 and free to use, provides up to \$80 in covered service charges.

BaZing Fuel³

Save money on fuel at participating gas stations just by using your check card for everyday purchase. Activation required.

• Billshark³

Receive preferred pricing for Billshark services.

• \$10,000 Travel Accident Death Insurance³

Peace of mind for your family.

Free Pure Personality Check Card (\$10 value)

When you order your card within 48 hours of opening your checking account. \$10 fee will be charged when image is changed after initial upload.



Savings on Personal Loans

• Enjoy 1/4% discount on a consumer loan Subject to credit approval. Does not include mortgage or Equity Express loans. Requires the loan payment to be withdrawn from your German American \$MART Work Perks checking account.



Savings on Home Loans

Receive up to \$500 off the closing costs of a home loan
 A German American \$MART Work Perks checking account is required. All loans
 subject to credit and underwriting approval. Excludes Equity Express. For home
 purchases only, no refinances. Not valid in combination with any other offer.
 Offer limited to German American markets only.

¹ The \$50 bonus is available to new German American checking account customers only and when a direct deposit is received within 45 days of account opening. If a direct deposit is received within the 45 day period, the bonus will be credited to your account within 10 business days following the end of the qualification period. A 1099 will be issued. Monthly direct deposits are determined by your statement cycle. Member FDIC. Equal Housing Lender. ² Allpoint ATM network is fee-free for all German American personal customers when using their German American Check Card to withdraw cash. When you use an ATM not owned by us or not within the fee-free Allpoint network, you may be charged a fee by German American and the ATM operator. Look for the Allpoint symbol when searching for a fee-free ATM outside the German American ATM network. ³ Subject to the terms and conditions detailed in the ShieldPerks powered by BaZing Benefits Reference Guide. Insurance products are: NOT A DEPOSIT. NOT FDIC-INSURED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT GUARANTEED BY THE BANK. Identity monitoring, Bazing Fuel and Billshark require additional activation to begin services.



Your German American Team





Your German American Team Contacts



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German American Bank





German American has donated \$3,050

In 2021,

to Gallatin County Schools so far in 2021-2022

German American Bank invested a total of

\$1,770,232

in community support throughout its footprint.

Our local team members logged over

2,756 hours

volunteering in the communities we serve.

We are deeply rooted in, and engaged with, the communities we serve. Engrained in our culture is a commitment to giving back to the individuals, families, and businesses in our neighborhoods. You'll find our financial professionals leading financial literacy classes in community schools and volunteering to enhance the arts, education, economic development, and overall community enrichment in our footprint. We have a long history of community involvement, from both a contributory standpoint and a dedication to hands-on volunteer efforts.









About Us

We are a community bank with community values. In 1910, German American opened for business in the heart of an Ohio River Valley community rich in German-American heritage, Jasper, Indiana. We have grown a lot since then and now serve culturally diverse communities throughout the entire southern Indiana area, as well as the Commonwealth of Kentucky. Even as we have grown our brand into serving new communities, we remain committed to the traits rooted in our beginning including putting people first, hard work, integrity and pride in any community's heritage. We believe these brand values set us apart in 1910 and continue to do so today.



Our Mission

German American is dedicated to helping individuals, families and businesses achieve greater prosperity and quality of life. Together, our financial team builds lasting client relationships based on integrity, responsive service, innovation, and shared values. We support the communities we serve and believe that when a community thrives, its people prosper.



Our Values

Integrity

Our reputation relies on integrity. We value honesty, open communication, diverse perspectives, and high ethical principles.

People

People come first at German American. We invest in our communities and support social and economic development. We value respect and courtesy for every person and believe in the power of positive attitudes.

Relationships

We develop relationships based on a strong foundation of trust and mutual respect to help create loyal customers and a loyal team. Our unified goal is serving individuals, families and businesses to achieve financial success.

Performance

Performance is vital. German American employees must possess the determination and drive to succeed. Our vast knowledge base and expertise enables us to work efficiently while providing customer service excellence to support strong performance.



