


Bank Name	First Southern National Bank	South Central Bank	Independence Bank
<b>Interest Rate:</b>	Current Federal Fund Rate minus 75 basis points	Federal Fund Rate minus 25 basis points	Federal Fund Rate minus 50 basis points
Operating Account	Current Federal Fund Rate Minus .75		
CD Account:	4.00%		
Market Account	Current Federal Fund Rate Minus .75		
Banking Institution guarantees that the rate will not fall below:	N/A	2.00%	0.25%
<b>Locations:</b>			
Branch Office Location	88 S Bethal Street, Russellville, KY 42276	112 W. 9th Street, Suite B Russellville, KY 42276	115 Sam Walton Dr. Suite 1, Russellville, KY 42276
ATM Location	88 S Bethal Street, Russellville, KY 42276	112 W. 9th Street, Suite B Russellville, KY 42276	115 Sam Walton Dr. Suite 1, Russellville, KY 42276
	1101 N. Main Street, Russellville, KY 42276		
<b>Special Conditions or Consideration:</b>	Free checks, Free Deposit Slips		
	Treasury Management Service at no Cost		
	All deposit services at no Charge		
	Continue being the paying agent on Revenue Bonds (Wire Payments)		
	All funds over \$250,000 will be fully pledged		
<b>Additional Banking Services:</b>		See attached	See attached
<b>Type of Financial Institution:</b>	Commercial Bank	Commercial Bank	Commercial Bank
<b>Signed by:</b>	Krystal Funderson - Community President	Frank Bell - Logan County Market President	Chad Hall - Independence Bank

In looking at the RFP from each bank, they have agreed to all we have asked and the one with the best rate is South Central Bank  
My recommendation as Finance Direct is we choose South Central Bank as our Primary Depository

  
Matthew Davenport  
Finance Director

**Russellville Independent School District  
355 S. Summer St.  
Russellville, Kentucky 42276**

**OFFICIAL QUOTE FORM  
FOR  
PRIMARY DEPOSITORY FOR RUSSELLVILLE INDEPENDENT SCHOOL  
DISTRICT**

***THE RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT RESERVES THE RIGHT TO NEGOTIATE  
ANY OR ALL OF THE TERMS OF SUBMITTED QUOTES FROM BANKS.***

**Interest Rate**

In accordance with the terms of the General Conditions and Specifications, all accounts of the Russellville Independent School District shall be serviced without charge. The bank agrees that no minimum balance shall be required at any time and the bank shall factor any and all expenses of servicing the Board's accounts into the interest rate shown below. Interest shall be paid on all deposits maintained by the Russellville Independent School District, starting on the date of deposit. Interest shall be calculated compared to the Federal Funds daily rate. The rate + or - the basis points stated below will be paid on the daily balance. Interest shall compound daily.

Plus (+) \_\_\_\_\_ basis points

Minus (-) current Federal Fund Rate 75 basis points

(Note: Complete only one line above)

Operating Account Current Federal Fund Rate minus .75

CD Account 4.00%

Market Account Current Federal Fund Rate minus .75

Banking institution guarantees that the rate will not fall below: NA

The Board of Education will select the best evaluated bid. Also, if the high quote is not more than two (2) basis points above the current primary depository rate (for the period of July 1, 2025 - June 30, 2027), the Board reserves the right to award this bid to the current primary depository.

**Note:**

Please submit Official Quote Form in an envelope marked "Do Not Open - Bank Quote Enclosed --  
Reference #DEPOS-2025"

## Locations

The following is a listing of the financial institution's branch offices and ATM locations that are available in Russellville, Kentucky:

### Branch Office Location

88 S. Bethel Street  
Russellville, Ky 42276

### ATM Location

88 S. Bethel Street, Russellville, Ky  
1101 N. Main Street, Russellville Ky

### Special Conditions or Consideration

- Free Checks, Free Deposit slips, Treasury Management service @ no fee. All deposit services at no charge.
- We will continue being the paying agent on revenue bonds.
- All funds over \$250,000, will be fully pledged.

## **Collateral**

### **A. Execution of Bond of Depository and Collateral**

A Bond of Depository for Public School Funds will be executed by the primary depository and collateral deposited in escrow to secure said bond as hereafter set out. This Bond includes a pledge of collateral in the amount of the required penal sum of 103% of current daily balances. The Bond of Depository covers Russellville Independent School District funds in an amount that will later be determined. It will be effective July 1, 2025 for the full term of this agreement, subject to approval of the Kentucky Department of Education ("KDE"). The amount of the Bond may fluctuate from year to year. In the event the Board of Education's funds on deposit, including certificates of deposit, exceed the Bond of Depository amount, the primary depository shall pledge additional collateral for any such excess funds on deposit with a fair market value equal to the excess amount.

### **B. Types of Collateral**

All collateral pledged by the primary depository selected shall have a fair market value equal to at least 103% of all deposits (including all investment instruments) of the Board of Education and shall consist of U.S. Government Bonds, Kentucky School Revenue Bonds, and/or Federal Government Agency Obligations. Repurchase Agreements for either class of collateral are unacceptable security. The collateral represents the total amount required to cover all funds, including investments and construction funds. At no time shall the collateral be reduced or substituted without prior approval of the Board of Education. Such approval shall not be granted without the execution of a new bond, which shall have prior approval by KDE.

### **C. Safekeeping Receipts**

The primary depository shall execute a safekeeping receipt for collateral, which shall include an endorsement as follows (the form of the endorsement on the safekeeping receipt may be amended so as to modify the endorsement in any manner required by the rules and regulations of the Federal Reserve, provided that the collateral pledged for safekeeping in connection with the bond of depository is deposited in a federal reserve bank.):

*"The securities described herein have been pledged as collateral to funds on deposit in Russellville (city), Logan (county), Kentucky to the credit of the Russellville Independent School District of Russellville, Kentucky under terms of a depository agreement. These securities may not be withdrawn or substituted except with the written consent of the Russellville Independent School District. The original of this receipt has been delivered to the Russellville Independent School District Board of Education of Russellville, Kentucky."*

**Length of Agreement**

The quotations and undertakings offered herein will be valid from July 1, 2025 to June 30, 2027 and, at the option of the Board of Education, and with the primary depository's consent, may be extended for additional one (1) year periods as stipulated in General Conditions and Specifications.

**Additional Banking Services** *(use this section and additional pages, if needed, to describe other banking services).*

**Type of Financial Institution**

We have read and understand the General Conditions and Specifications and the Official Quote Form for Board of Education accounts and agree to comply with all said stipulations should we be selected as the Board's depository. Our institution is a: *(place an "X" beside the following description that applies)*

X **Commercial Bank** and is a member of the Federal Deposit Insurance Corporation and, as such, we propose to accept and hold in SECURED CUSTODY funds belonging to the Russellville Independent School District, and to pay out any funds on order of the Board as provided by law. We hereby offer our quote to the Russellville Independent School District under terms and conditions as above specified.

\_\_\_\_\_ **Savings and Loan Association** and is insured by the Federal Government and as such we propose to accept and hold in SECURED CUSTODY funds belonging to the Russellville Independent School District, and to pay out any funds on order of the Board as provided by law. We hereby offer our quote to the Russellville Independent School District under terms and conditions as above specified.

Bank Name First Southern National Bank Date 4-6-2025  
Signature Krystal Gunderson Title Community President  
Name Krystal Gunderson (print)  
Address 88 S. Bethel Street  
Russellville, Ky 42276  
Telephone 270-772-3691

**Russellville Independent School District  
355 S. Summer St.  
Russellville, Kentucky 42276**

**OFFICIAL QUOTE FORM  
FOR  
PRIMARY DEPOSITORY FOR RUSSELLVILLE INDEPENDENT SCHOOL  
DISTRICT**

***THE RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT RESERVES THE RIGHT TO NEGOTIATE  
ANY OR ALL OF THE TERMS OF SUBMITTED QUOTES FROM BANKS.***

**Interest Rate**

In accordance with the terms of the General Conditions and Specifications, all accounts of the Russellville Independent School District shall be serviced without charge. The bank agrees that no minimum balance shall be required at any time and the bank shall factor any and all expenses of servicing the Board's accounts into the interest rate shown below. Interest shall be paid on all deposits maintained by the Russellville Independent School District, starting on the date of deposit. Interest shall be calculated compared to the Federal Funds daily rate. The rate + or – the basis points stated below will be paid on the daily balance. Interest shall compound daily.

Plus (+) \_\_\_\_\_ basis points

Operating Account \_\_\_\_\_

Minus (--) <sup>25</sup>\_\_\_\_\_ basis points

CD Account \_\_\_\_\_

(Note: Complete *only one line above*)

Market Account \_\_\_\_\_

Banking institution guarantees that the rate will not fall below: 2.0%

The Board of Education will select the best evaluated bid. Also, if the high quote is not more than two (2) basis points above the current primary depository rate (for the period of July 1, 2025 – June 30, 2027), the Board reserves the right to award this bid to the current primary depository.

**Note:**  
Please submit Official Quote Form in an envelope marked "Do Not Open – Bank Quote Enclosed --  
Reference #DEPOS-2025"

**Locations**

The following is a listing of the financial institution's branch offices and ATM locations that are available in Russellville, Kentucky:

**Branch Office Location**  
1112 West 9th street, Suite B  
Russellville, KY 42276

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**ATM Location**  
1112 West 9th street, Suite B  
Russellville, KY 42276

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**Special Conditions or Consideration**

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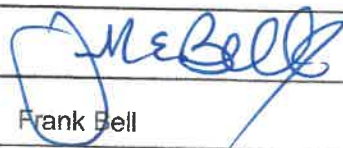


**Type of Financial Institution**

We have read and understand the General Conditions and Specifications and the Official Quote Form for Board of Education accounts and agree to comply with all said stipulations should we be selected as the Board's depository. Our institution is a: *(place an "X" beside the following description that applies)*

☒ **Commercial Bank** and is a member of the Federal Deposit Insurance Corporation and, as such, we propose to accept and hold in SECURED CUSTODY funds belonging to the Russellville Independent School District, and to pay out any funds on order of the Board as provided by law. We hereby offer our quote to the Russellville Independent School District under terms and conditions as above specified.

☐ **Savings and Loan Association** and is insured by the Federal Government and as such we propose to accept and hold in SECURED CUSTODY funds belonging to the Russellville Independent School District, and to pay out any funds on order of the Board as provided by law. We hereby offer our quote to the Russellville Independent School District under terms and conditions as above specified.

**Bank Name** SOUTH CENTRAL BANK **Date** May 7, 2025  
**Signature**  **Title** Logan County Market President  
**Name** Frank Bell **(print)**  
**Address** 1112 West 9th Street Suite B  
Russellville, KY 42276  
**Telephone** 270-943-7111

## Proposed Services

Thank you for the opportunity to bid on the Russellville Independent School District banking relationship. Based on your current account structure in the proposal, we recommend the following services:

- **Business Analysis Checking Account** – This checking account will be offered free of service charges. We recommend maintaining a daily closing balance of \$250,000. This will allow for full FDIC coverage on the funds in this account.
- **Reich & Tang Sweep Accounts-** This sweep account would be tied to the operating account. All balances above the FDIC threshold in the operating account will sweep overnight to our Reich & Tang sweep program that would provide full FDIC coverage for all funds held in the accounts here at South Central Bank.
- **Example:**
  - Operating Account Balance: \$250,000
  - Excess deposits Sweep Account Balance: \$7,000,000
  - Combined balances fully FDIC insured: \$7,250,000
- **The Reich & Tang Sweep Account will earn a rate of interest tied to the daily Fed Funds rate minus 25 bpts. (That rate is currently at 4.15%) The Bank also guarantees that the rate on this account will not fall below 2.00%**

## REQUIRED PLEDGE OF COLLATERAL

South Central Bank proposes to meet the required pledge of collateral for your deposits. Appropriate securities will be pledged to secure all deposits over the FDIC coverage limit.

- **Treasury Management Recommendations:**
  - **Business Online Banking-** This program will be offered to you free of service charges. Our Online Banking program will allow you to view balances for all your accounts. You will be able to perform transfers, view statements and check images, create reports, issue stop payments, as well as have access to all your treasury management tools under the same login.
  - **Business Online Banking** – Our Business Online Banking program will be offered to you free of service charges. This program will allow you to view balances for all your SCB accounts. You will be able to perform transfers, view statements and check images, create reports, issue stop payments, as well as have access to all your treasury management tools under a single login.
  - **ACH Origination-** Ideal for direct deposit of payroll, issuing vendor payments and collections. You have the flexibility to schedule recurring payments or one-time payments. The use of one- time passcodes are generated using a secure token at time of submission. Dual control permissions are highly recommended as they provide additional security.



- **Online Wire Manager-** Perform outgoing domestic wires at your leisure and convenience. The use of one- time passcodes are generated using a secure token at time of submission. Dual control permissions are highly recommended as they provide additional security.
- **Positive Pay for Check and ACH-** Provides additional security to your account by stopping fraud before it is too late. Upload a list of issued checks and allow approved ACH vendors. The bank will match presented debits to your approved list and return any fraudulent items.
- **Remote Deposit Capture-** We can provide a check scanner at no additional cost that will allow you to scan checks and make deposits conveniently from your office.
- **Free Check Orders -** We will provide checks, deposit tickets, deposit bags, endorsement stamps, etc free of charge.
- **Additional Recommendations:**
  - **Credit Card Program-** Manage expenses and track purchases while increasing cash flow. We partner with Elan Financial Services to offer our Visa Community Card program for governments and municipalities. Cards can be assigned to individuals or departments with robust reporting tools.

Authorized Signature: \_\_\_\_\_

  
Frank Bell

Printed/Typed Name: \_\_\_\_\_

Logan County Market President

Title: \_\_\_\_\_

May 7, 2025

Date: \_\_\_\_\_



**Russellville Independent School District**  
**355 S. Summer St.**  
**Russellville, Kentucky 42276**

**- - - Invitation to Quote - - -**

Reference number: DEPOS-2025

Title: Primary Depository

Date quote information released: April 17, 2025

Closing time of quotes: May 12, 2025 11:00 a.m.

**General Conditions and Specifications**

1. **CONTACTS**—Information pertaining to any item or condition in this invitation may be obtained by communicating with Matthew Davenport, Chief Financial Officer/Treasurer, at the address shown above or by telephone at (270) 726-8405.
2. **DURATION OF AGREEMENT**—The intent of this invitation is to receive quotes from any local financial institution ("bank") to serve as a depository for the Russellville Independent Board of Education ("Board"). The duration of the agreement shall be from **July 1, 2025 to June 30, 2027. The agreement shall renew automatically for one year periods thereafter unless one party to this agreement elects to terminate it and gives written notice sixty (60) days prior to the scheduled expiration date. The Board may negotiate a higher rate during the extension periods.** The Board will officially appoint one (1) primary depository.
3. **ACCEPTABLE BANKS**—The Board hereby limits the banks that are acceptable for submitting a quote for "primary depository" to commercial banks or savings and loan associations that have an office in Russellville, Kentucky. The bank must be able to secure all deposit account balances exceeding coverage of FDIC insurance with approved collateral as required by the Commonwealth of Kentucky.
4. **QUOTE FORM**—Any bank that submits a quote shall submit the attached "Official Quote Form". No quote will be considered unless the Official Quote Form has been completed, signed, and submitted.
5. **QUOTE SUBMITTAL**—The original, completed copy of this quote is to be received no later than the closing time indicated above. The quote may be hand delivered on the date of the opening, provided it is presented no later than the closing time indicated above.
6. **QUOTE OPENING**—A representative of the bank may be present at the opening of quotes on the date, time, and location stated above, although this is not required. The Board reserves the right to negotiate any or all of the terms of submitted quotes from banks.
7. **SIGNATURE**—An officer or member of the quoting bank, authorized to legally bind the bank, must sign the Official Quote Form.
8. **QUOTE ISSUES**—The Board reserves the right to waive defects and informalities in quotes, to reject any or all quotes, or to accept any quote as may be deemed to be in its best interest.
9. **CONSTRUCTION/BOND ACCOUNTS**—This depository agreement shall also include, if requested by the Board, any new construction accounts established as a result of selling school revenue bonds. The primary depository shall pledge securities of the United States Government having a fair market value at least equal to the balance of these accounts or secure all balances exceeding coverage of FDIC insurance with approved collateral as required by the Commonwealth of Kentucky. The securities pledged for construction accounts are in addition to the collateral requirements shown on the Official Quote Form.

Independence Bank agrees to provide normal depository services for any bond proceeds placed on deposit with us during the term of this proposed contract, including acceptance and disbursement of funds through wires, ACH, and checks. Collateral will be provided in accordance with KRS 66.480 and KRS 41.240.

Independence Bank's Trust and Brokerage Department has the capacity to provide any additional services related to the issuance of bonds, including but not limited to: Trustee, Registrar, Paying Agent, and provide any investment services beyond the interest rate paid on the deposit accounts. Terms and conditions for this service will be determined at the time of the request.

10. **INVESTMENT OPTIONS**—The Board reserves the right to use any or all investment vehicles offered by the bank that the Board, in its discretion, deems to be the most advantageous to the Board. The primary depository agrees to negotiate with the Board to permit the Board to take advantage of any new type of service or new investment procedure that may become available and permissible for use by a board of education during the term of this agreement.

11. **BORROWING**—The primary depository shall extend credit as needed on legally drawn notes of the Board. The Board reserves the right to negotiate the terms for such borrowing and is not limited to borrowing funds from the primary depository.

Independence Bank will be pleased to consider requests for credit during the term of this agreement and subsequent renewal periods. Loan terms and conditions will be determined at the time of the request.

12. **STATEMENTS**—Monthly statements of all accounts, along with cancelled check images (sorted numerically), are to be furnished electronically to the Board by the primary depository within three (3) banking days following the close of each month. Monthly statements must show the number of deposits/withdrawals, and the monthly/year-to-date interest earned. Accuracy of the information contained on the bank statement is very important. Beginning dates for the statements shall be the first calendar day of the month and the ending dates shall be the last calendar day of the month. Each month, the primary depository shall provide the Board with a listing of checks cleared.

Monthly bank statements are normally loaded into online banking during the first business day following end-of-month. MUNIS files are available for RISD.

13. **ELECTRONIC BANKING**—The primary depository shall offer the Board full electronic banking privileges that shall, at a minimum, permit the Board to see daily transactions and make online transfers. If the Board maintains security over its password to the online banking system, the primary depository agrees to hold harmless the Board from losses due to a security breach of the bank's online banking system. The primary depository shall also provide an electronic data file for check clearing that is compatible with MUNIS (Enterprise ERP).

Online Banking provides access to balances, transfers between accounts, online outgoing domestic and U.S. Dollar International Wire Transfers, ACH Origination for payroll direct deposit. Your Company Administrator may set up an unlimited number of Users and assign access privileges providing dual control for all functionality that sends funds outside of the bank. MUNIS files are available for RISD.

14. **SECURITY**—The primary depository shall offer the Board security tokens to be used in conjunction with the user ID and password during the electronic banking login process if necessary for internet banking.

Information security and protection is vital with every product and service provided to our clients. Specific services such as Online Banking and Remote Deposit utilize multi-layered secure login procedures and dual control capabilities to validate the identity of the employee using the service. Along with security over user

passwords other credentials and access devices, clients utilizing banking services agree to current Security Procedures defined in the Master Treasury Management Services Agreement, Addendums and Account Agreement.

15. **CREDIT CARDS**—The primary depository shall provide credit cards to chosen individuals at no cost.

District credit cards shall be provided at no charge.

16. **CHECKS/SUPPLIES**—The primary depository is responsible for providing, at no charge to the Board or schools all reasonable items needed to transact banking business. These items include, but are not limited to, checks, direct deposit advices, deposit tickets, boxes for rolled coins, safe deposit box (for the Board only), locking bank bags, canvas bags for collection of money from events, etc. Checks/Direct Deposit Advices: The Board shall have exclusive control over the vendor selected to provide checks and direct deposit advices, provided the requirements of the Federal Reserve System are met. The Board may utilize any and all security features available for its check stock. The primary depository agrees to reimburse the Board for the cost of having its checks and direct deposit advices printed. With the approval of the Board, the primary depository may furnish these checks and direct deposit advices, rather than reimburse the Board for cost incurred. The Boards' method of issuing checks to employees and to vendors is subject to change.

Independence Bank will provide checks and supplies requested in this Quote free of service charge.

17. **TRANSMITTALS**—The primary depository shall be capable of accepting an electronic data transmission of direct deposit credits, and shall be able to transmit to the Federal Reserve, credit unions, other banking institutions, etc. The primary depository shall provide the Board with software needed to accomplish the electronic data transmission. This software shall be compatible with the Board's software and shall permit verification of accuracy of account information. The primary depository shall also provide an electronic data file for check clearing that is compatible with MUNIS (Enterprise ERP).

Origination of payroll direct deposit transactions can be facilitated through the ACH Origination module of Online Banking. Your Nacha formatted file may be imported into our system. User privileges can be configured to all dual control of ACH file import and file verification and approval.

MUNIS files are available for RISD.

18. **COLLECTION OF RETURNED CHECKS**—The primary depository shall provide assistance to the Board in collecting bad checks by processing the checks a second time after an appropriate waiting period.

To assist with the collection of bad checks, Independence Bank will process checks a second time before returning the item to the account.

19. **DIRECT DEPOSIT**—Direct deposit is offered by the Russellville Independent School District. The primary depository shall provide this service free of charge to the school district.

ACH Origination of direct deposit entries is included at no charge to RISD.

20. **AUDIT ASSISTANCE**—The primary depository shall provide assistance and cooperation with the Board's audit firm. Including but not limited to completing audit confirmations and requests at no charge.

Audit Confirmations will be completed free of charge.



21. **SERVICE CHARGES**—This depository agreement shall not include any charges for servicing any and all accounts of the Board or charges for any other banking service such as stop payments, cashier's checks, overdraft charges, interim bank statements, checks returned for insufficient funds, electronic transfers, wire transfers, courier service, electronic data file for check clearing (ASCII file of debits), etc.

Independence Bank will provide all services requested in this proposal free of service charge, however we do not provide courier service. Our Russellville staff may be able to assist with occasional special pickup requests at no charge when team members are available. Chad Hall, President Logan County or Shelby Offutt, Customer Service Representative will be your contact to determine availability.

22. **TRANSITION**—In the event the bank is not designated by the Board as its primary depository in the future, the bank shall continue to pay interest at the rate established by this quote document on any funds remaining in any accounts at that financial institution until all outstanding checks have cleared the bank. In addition, the primary depository agrees to assist the Board in its transition to a new depository should the need arise.
23. **TAXES NOT APPLICABLE**—Federal excise taxes or Kentucky sales and use taxes are not applicable to any purchase made for use of the Board. Quotes should not include any such taxes. Purchase exemption certificates will be furnished as required.
24. **NON-DISCRIMINATION**—The Russellville Independent School District 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, and Section 504.
25. **CONFLICTS OF INTEREST**—KRS 45A.455 prohibits conflicts of interest, gratuities or kickbacks to employees of the Board of Education in connection with contracts for supplies or services whether such gratuities or kickbacks are direct or indirect. KRS 45A.990 provides severe penalties for violations of the laws relating to gratuities or kickbacks to employees that are designed to secure a public contract for supplies or services.

**Russellville Independent School District  
355 S. Summer St.  
Russellville, Kentucky 42276**

**OFFICIAL QUOTE FORM  
FOR  
PRIMARY DEPOSITORY FOR RUSSELLVILLE INDEPENDENT SCHOOL  
DISTRICT**

***THE RUSSELLVILLE INDEPENDENT SCHOOL DISTRICT RESERVES THE RIGHT TO NEGOTIATE  
ANY OR ALL OF THE TERMS OF SUBMITTED QUOTES FROM BANKS.***

**Interest Rate**

In accordance with the terms of the General Conditions and Specifications, all accounts of the Russellville Independent School District shall be serviced without charge. The bank agrees that no minimum balance shall be required at any time and the bank shall factor any and all expenses of servicing the Board's accounts into the interest rate shown below. Interest shall be paid on all deposits maintained by the Russellville Independent School District, starting on the date of deposit. Interest shall be calculated compared to the Federal Funds daily rate. The rate + or - the basis points stated below will be paid on the daily balance. Interest shall compound daily.

Plus (+) \_\_\_\_\_ basis points

Operating Account \_\_\_\_\_

Minus (--) 50 basis points

CD Account \_\_\_\_\_

(Note: Complete *only one line above*)

Market Account \_\_\_\_\_

Banking institution guarantees that the rate will not fall below: 0.25%

**This variable rate shall be Indexed to the “Federal Funds Target Range – Upper Limit” as quoted from time to time by the Federal Open Market Committee minus (--) 50 basis points (one basis point equals .01 percent); notwithstanding, the effective interest rate payable to the Russellville Independent School District at any time shall not be less than 0.25% (“the Floor Rate”).**



### Rate Calculation Example:

As of May 12, 2025, the Federal Funds Target Range – Upper Limit is 4.50%. This Index rate at 4.50% minus 0.50% provides an effective Interest Rate at 4.00%.

As a variable interest rate, any time the Federal Open Market Committee takes action to adjust the Federal Funds Target Range – Upper Limit, we will adjust the interest rate paid on your accounts on the following business day. Interest will be compounded and paid monthly on all RISD accounts' collected balances. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks.)

The Board of Education will select the best evaluated bid. Also, if the high quote is not more than two (2) basis points above the current primary depository rate (for the period of July 1, 2025 – June 30, 2027), the Board reserves the right to award this bid to the current primary depository.

### Note:

**Please submit Official Quote Form in an envelope marked "Do Not Open - Bank Quote Enclosed -- Reference #DEPOS-2025"**

Locations

The following is a listing of the financial institution's branch offices and ATM locations that are available in Russellville, Kentucky:

<u>Branch Office Location</u>	<u>ATM Location</u>
115 Sam Walton Dr. Suite 1	115 Sam Walton Dr. Suite 1
Russellville, KY 42276	Russellville, KY 42276

**Special Conditions or Consideration**

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## **Collateral**

### **A. Execution of Bond of Depository and Collateral**

A Bond of Depository for Public School Funds will be executed by the primary depository and collateral deposited in escrow to secure said bond as hereafter set out. This Bond includes a pledge of collateral in the amount of the required penal sum of **103%** of current daily balances. The Bond of Depository covers Russellville Independent School District funds in an amount that will later be determined. It will be effective July 1, 2025 for the full term of this agreement, subject to approval of the Kentucky Department of Education ("KDE"). The amount of the Bond may fluctuate from year to year. In the event the Board of Education's funds on deposit, including certificates of deposit, exceed the Bond of Depository amount, the primary depository shall pledge additional collateral for any such excess funds on deposit with a fair market value equal to the excess amount.

Independence Bank may elect to collateralize RISD funds using a Federal Home Loan Bank Letter of Credit. If collateral is pledged, it will have a minimum market value of 103% for balances exceeding FDIC insurance and Independence Bank shall substitute collateral of certain types without prior approval of the Board or KDE.

### **B. Types of Collateral**

All collateral pledged by the primary depository selected shall have a fair market value equal to at least 103% of all deposits (including all investment instruments) of the Board of Education and shall consist of U.S. Government Bonds, Kentucky School Revenue Bonds, and/or Federal Government Agency Obligations. Repurchase Agreements for either class of collateral are unacceptable security. The collateral represents the total amount required to cover all funds, including investments and construction funds. At no time shall the collateral be reduced or substituted without prior approval of the Board of Education. Such approval shall not be granted without the execution of a new bond, which shall have prior approval by KDE.

Independence Bank may elect to collateralize RISD funds using a Federal Home Loan Bank Letter of Credit. If collateral is pledged, it will have a minimum market value of 103% for balances exceeding FDIC insurance and Independence Bank shall substitute collateral of certain types without prior approval of the Board or KDE.

C. Safekeeping Receipts

The primary depository shall execute a safekeeping receipt for collateral, which shall include an endorsement as follows (the form of the endorsement on the safekeeping receipt may be amended so as to modify the endorsement in any manner required by the rules and regulations of the Federal Reserve, provided that the collateral pledged for safekeeping in connection with the bond of depository is deposited in a federal reserve bank.):

*"The securities described herein have been pledged as collateral to funds on deposit in \_\_\_\_\_ (city), \_\_\_\_\_ (county), Kentucky to the credit of the Russellville Independent School District of Russellville, Kentucky under terms of a depository agreement. These securities may not be withdrawn or substituted except with the written consent of the Russellville Independent School District. The original of this receipt has been delivered to the Russellville Independent School District Board of Education of Russellville, Kentucky."*

Independence Bank uses The Independent Bankers Bank of Farmers Branch, Texas as our Custodian Bank for making pledges. As a matter of practice, when pledges are made or changed, the safekeeping receipts are emailed to us. We will forward the receipt via email to our customer within 3 days of making the pledge. We do not have the ability to modify them.

**Length of Agreement**

The quotations and undertakings offered herein will be valid from July 1, 2025 to June 30, 2027 and, at the option of the Board of Education, and with the primary depository's consent, may be extended for additional one (1) year periods as stipulated in General Conditions and Specifications.

**Additional Banking Services** *(use this section and additional pages, if needed, to describe other banking services):*

**Remote Deposit Capture**

Independence Bank agrees to provide RISD, at no cost, a remote deposit scanner, initial set-up, training, and continuing support for technical issues to reduce the need for your staff to travel to the Bank's location to submit check deposits.

Our Remote Deposit Capture service is a modern and amazingly fast alternative to make check deposits. It streamlines the check deposit preparation process, providing efficiencies for the accounting staff. The bank will provide one multi-feed check scanner at no cost for the utilization of remote capture.

Remote Deposit Capture allows your staff to scan checks and deposit them directly into any account. The system provides one year of digital check images and the ability to search for checks based upon the check amount, date, and account number.

The capture process is simple. Start by calculating the total of checks to be deposited to an account. The system requires a deposit control total before the scanning process begins. As checks scan, the system captures the digital image of the check including the legal and courtesy amounts, the routing number, account number and check number. If the program's logic is unable to read a number with "certainty" the staff member will be prompted to verify or key the information. The service allows the addition, deletion, and rescanning of checks. Once all checks scan correctly, the balanced deposit transmits to the bank.

The system creates a virtual deposit ticket and virtually endorses all checks during scanning. Daily deposit reports can be printed, including the check images. Daily reports can be downloaded in .pdf format to retain as a permanent archive of deposits. Physical checks should be stored securely for at least 60 days and then shredded along with any other confidential documents within 60 days.

There is not a limit on the number of checks that can be contained in a single deposit. Independence Bank's Remote Deposit Capture service allows for multiple deposits in a single day. All deposits through this service clear as image replacement documents. We do not convert check deposits to ACHs.

The cut-off time for provisional credit of scanned deposits is 6:00 p.m. CT.

**Employee Advantage Checking**

For the convenience of your teachers and staff, Independence Bank offers to be present for an in-service day(s) or employee benefits meeting(s) to provide information and open employee direct deposit accounts on-site for your team.

Independence Bank offers the employees of the Russellville Independent School District, who bank with Independence Bank *and have payroll direct deposit*, our Employee Advantage Checking account. This is a premium account that has no minimum balance and no monthly service charge.

**Features include:**

- No monthly maintenance fee
- No minimum balance requirements
- No minimum opening deposit
- Unlimited check writing
- One free standard order of checks per year
- Free Online Banking (including free check images) & Bill Pay
- Free Mobile Banking and Mobile Deposit
- VISA® Check Card (subject to approval)
- Free Internal Transfers (between IB accounts)
- 0.25% off consumer loan rates with auto-debit (loans subject to approval)

All Employee Advantage account eligibility is based on qualification information provided by a consumer reporting agency. For employees who have not previously handled their checking accounts in a proper manner, Independence Bank will offer a Freedom Checking account without a debit card or a Savings account without a monthly service charge.

**Electronic Data Interchange (EDI) Reporting**

Independence Bank has the capability to provide Electronic Data Interchange (EDI) reporting for our business customers. The EDI reporting provides our customers those extra ACH detail records received from payors, like invoice numbers, so businesses can efficiently update receivable records. Any information included with the ACH transaction record when sent as a valid EDI transaction type by the Originating Company will be passed to this reporting system.

**Encoded Deposit Tickets**

For Food Service and After School accounts, Independence Bank can provide special encoded deposit tickets for easier reconciliation. The special encoded deposit tickets assist in identifying each school's deposit.

**Zero Balance Account**

The Zero Balance Account (ZBA) is a basic cash management mechanism designed to be used as a concentration and disbursement system. A ZBA operates like a normal checking account. After all debits and credits post at the end of the day, a transfer is automatically generated to or from the operating account bringing the account balance back to zero. A ZBA allows Russellville Independent School District to segregate payroll disbursement functions. This account generates a separate statement for easy reconciliation. There would be no monthly service charge associated with this account.

**The benefits to Russellville Independent School District:**

- 1) Eliminates overdrafts and over-funding
- 2) Eliminates manual transfer of funds
- 3) Allows control from one central account

### Fraud Protection Services

Our proposal also includes two fraud protection services – Check Positive Pay and ACH Blocks/Filters.

#### Positive Pay

Positive Pay is one of the most effective tools available today to help reduce check fraud. We highly recommend this service for Russellville Independent School District. As you generate a check run, you create a simple file format containing a data list of the issued checks for upload online into our Positive Pay system. Single checks issued outside of a normal check run can be key entered into the Positive Pay system.

As checks are presented for payment, our Positive Pay service matches the account number, check number and dollar amount of each check against your list of issued checks authorized by Russellville Independent School District.

The Positive Pay system automatically alerts you by email if check “exceptions” require online review for a pay or return decision. Positive Pay exception management allows your staff to view the exception item online, including an image of the presented check. Your staff submits a pay or return decision in our secure web environment by 11:00 a.m. CT. We take care of returning any fraudulent items. As you enter or upload your issued check files, the Positive Pay system integrates your valid check information to our teller system protecting your account from in-person check cashing fraud.

#### ACH Blocks/Filters

Electronic fraud is more prevalent than ever. Each of Russellville Independent School District accounts can be set up individually to protect against fraudulent incoming unauthorized ACH transactions.

We will review the purpose and transactions allowed on each account to determine what protection is best. For example, an account that should never have incoming ACH activity can be set up to block all such activity and will automatically return those entries to the sender.

However, there may be accounts that allow certain ACH activity for specific vendors/ companies. Using the unique Originating Company ID, we can filter incoming ACH activity to allow only those authorized companies’ transactions to post to your account. Transactions from unauthorized companies will be automatically returned. As the Office of Russellville Independent School District gives authorization to a company to allow electronic transactions to be presented to an account, it will be critical to obtain the Originating Company ID and provide that information to your Treasury Management Officer prior to the first entry. We also recommend that the company originating the transaction sends a Prenote (special zero amount) ACH Transaction to your account prior to the first dollar transactions to be certain the proper Originating Company ID has been provided.

### Trust and Investment Services

Independence Bank has a full-service trust and investment services department. Independence Bank Trust & Investment Services manages over \$1.5 billion dollars in assets and has considerable experience in managing investments for local school districts and affiliated foundations. The department has also acted as paying agent for numerous bond issues throughout western Kentucky.



All investment accounts with the department are assigned two experienced officers, a portfolio manager who works closely with your board to create a portfolio tailored to your goals and needs and an administrative officer to handle all distributions and the day to day needs of RISD. Independence Bank Trust & Investment Services offers competitive rates for investment management and believes in transparency and accountability. The department will also work with your board to devise an investment policy that provides consistent performance for RISD's short- and long-term goals. Finally, the department is happy to provide guidance and education for your employees in managing their financial future and is also happy to provide financial literacy classes for the students and parents of your district.

**TRUST SERVICES - NOT FDIC INSURED – NOT BANK GUARANTEED – MAY LOSE VALUE**

The trust services sold through Independence Trust are not insured Independence Bank deposits and are not FDIC insured. These products are not obligations of Independence Bank and are not endorsed, recommended or guaranteed by Independence Bank or any government agency. The value of the investment may fluctuate, the return of the investment is not guaranteed and loss of principal is possible.




### Type of Financial Institution

We have read and understand the General Conditions and Specifications and the Official Quote Form for Board of Education accounts and agree to comply with all said stipulations should we be selected as the Board's depository. Our institution is a: *(place an "X" beside the following description that applies)*

    **X**     **Commercial Bank** and is a member of the Federal Deposit Insurance Corporation and, as such, we propose to accept and hold in SECURED CUSTODY funds belonging to the Russellville Independent School District, and to pay out any funds on order of the Board as provided by law. We hereby offer our quote to the Russellville Independent School District under terms and conditions as above specified.

\_\_\_\_\_ **Savings and Loan Association** and is insured by the Federal Government and as such we propose to accept and hold in SECURED CUSTODY funds belonging to the Russellville Independent School District, and to pay out any finds on order of the Board as provided by law. We hereby offer our quote to the Russellville Independent School District under terms and conditions as above specified.

Bank Name INDEPENDENCE BANK Date May 12, 2025

Signature  Title President Logan County

Name Chad Hall (print)

Address 115 Sam Walton Dr., Suite 1

Russellville, Kentucky 42276

Telephone (270) 903-0392