BANKING SERVICES PROPOSAL

July 1, 2026 – June 30, 2028

Customized Proposal for:

Menifee County Board of Education

Lorri Bartley, Director of Finance

Presented By:

Whitney Davidson

Assistant Vice President, Cash Management Director

Traditional Bank

wdavidson@traditionalbank.com | www.traditionalbank.com

Submitted in Response to RFP – Banking Services Bid Specifications

Response Deadline: April 7, 2026

April 6, 2026

Mrs. Lorri Bartley
Director of Finance
Menifee County Board of Education
220 Back Street
Frenchburg, KY 40322

Re: Banking Services / Direct Deposit Proposal — July 1, 2026 – June 30, 2028

Dear Mrs. Bartley,

Thank you for giving Traditional Bank another opportunity to submit a proposal for the Menifee County Board of Education depository services. As a local, community bank, we are proud to serve vital organizations such as yours and are grateful to be considered again.

On behalf of Traditional Bank, I am pleased to present our comprehensive response to each section of the District's Banking Services Bid Specifications. We acknowledge the April 7, 2026 deadline and have structured our response to align precisely with Sections E through K of the RFP.

We are dedicated to providing exceptional, personal service alongside innovative banking technology and flexible products. Through effective leadership, experienced local decision makers, and service-oriented branch staff, we offer our clients the best banking experience available. Traditional Bank is a highly rated institution with extensive expertise serving organizations such as yours — and we have the right people and resources to meet every banking need of the Menifee County Board of Education.

Our proposal highlights three core commitments: (1) proven payroll reliability — including Same Day ACH contingencies — ensuring zero late pay; (2) technology-forward tools that reduce administrative workload and enhance security; and (3) competitive, transparent pricing tied to the Federal Funds Rate with no compensating balances and no service charges of any kind.

If there is anything we have failed to address, please contact me directly and I will supply that information as soon as possible. We value this partnership and stand ready to begin implementation immediately upon award.

Sincerely,

Whitney Davidson

Whitney Davidson
Assistant Vice President, Cash Management Director
Traditional Bank
wdavidson@traditionalbank.com

About Traditional Bank

Traditional Bank has been providing quality banking services in Kentucky since 1902. Through responsive leadership, local decision makers, and a commitment to service, we offer customers a rewarding banking experience in a secure environment. Our bank is committed to building strong relationships with our clients in order to provide exceptional, personal service. If problems arise, they are resolved quickly and efficiently — without having to navigate a corporate maze.

Traditional Bank remains a closely held private community bank with assets in excess of approximately $2.4 billion. We exceed the regulatory requirements to be identified as a well-capitalized bank — the highest classification available. We have 20 branches in eight counties, including Montgomery, Clark, Bourbon, Menifee, Franklin, Fayette, Shelby, and our newest loan production office in Jefferson County.

Our online cash management tools help clients streamline money management and increase speed and security by automating direct deposit payroll, ACH origination, check reconciliation, wire transfers, and other daily activities. We also offer remote deposit capture, allowing businesses to scan checks at their place of business and deposit them electronically.

As an independent community bank, one of the most valued aspects of our mission is to be recognized as an active and responsible corporate citizen. Our team members are parents, coaches, community leaders, and volunteers. The directors, officers, and employees of Traditional Bank donate their time and financial resources throughout central Kentucky with numerous school-related organizations including booster clubs, parent-teacher organizations, and school-based decision councils.

We provide added value to those relationships by inviting our partner schools to host car washes at our banking centers, utilizing our Facebook page to promote their achievements and events, and allowing school groups to post information about special events in our branch lobbies.

Visit www.traditionalbank.com for a complete listing of locations and hours.

Section E — Other Banking Services

Traditional Bank confirms its ability and commitment to provide each required service. For clarity and auditability, we respond point-by-point using the RFP's language.

Dedicated Local Contact with Decision Authority

Whitney Davidson, Assistant Vice President, Cash Management Director, has full decision-making authority for the District's accounts. No calls will be routed to out-of-town offices for issue resolution.

Direct: [859-469-7412] | Mobile: [859-704-0254] | Email: wdavidson@traditionalbank.com

Whitney and her team will come on-site during the transition to assist in establishing automatic debits and credits and any other tool inside our online cash management system. Ongoing, personal support will be provided for all chosen online users.

No-Cost Services Provided to Menifee County Board of Education

- No service charges of any kind — including stop payments, cashier's checks, overdraft charges, returned deposited items, electronic funds, or wire transfers
- All checks, deposit slips, endorsement stamps, and deposit bags at no cost
- Safety deposit box at no charge
- Electronic reconciliation file provided in MUNIS-accepted format
- Installation, software, and training for Remote Deposit Capture (e-deposit) at no cost

Online Cash Management & Fraud Prevention Tools

All Traditional Bank checking accounts include access to online banking services. Our Commercial Online Banking suite allows clients to perform extensive business banking tasks without leaving the office:

- View up to 24 months of account history
- Originate ACH debits and credits; direct deposit payroll
- Stop payments, wire transfers, Bill Payments, Electronic Federal Tax Payments, and Secure File Transfers
- Positive Pay — automated fraud detection matching issued check files against presented items
- ACH debit filters and blocks at no charge
- Role-based entitlements, dual approvals, and comprehensive audit logs
- Multi-factor authentication, IP allowlisting, OFAC screening, and behavior tracking
- Daily dollar limits and dual control for sub-user administration

Remote Deposit Capture (e-deposit)

Traditional Bank offers business clients the option of depositing checks without leaving the office through our remote deposit capture service. Checks are scanned at the office and deposited electronically using secure e-deposit software. Traditional Bank will install the scanner and software and provide hands-on user training — all at no cost to the District.

Section F — Interest Rate Bid

Proposed Account: Business Interest Checking

Traditional Bank proposes the following pricing structure for all transactional accounts of the Menifee County Board of Education:

Federal Funds Rate minus 50 basis points, with a floor of 0.50% (whichever is greater)

- Rate applied to all accounts regardless of balance, beginning with the first dollar on deposit.
- Rate adjusted on the first business day of the month following any change in the Federal Funds Rate.
- All monies deposited will begin collecting interest on the date of deposit.
- No compensating balance is required.
- Interest calculated on the average collected balance and credited at end of the statement cycle.
- Traditional Bank will continue to pay interest until all outstanding checks have cleared.

Certificate of Deposit Investment Option

Traditional Bank offers a certificate of deposit investment option for any excess funds, priced at 10 basis points over our published CD rate sheet.

IntraFi Network / ICS Cash Manager — FDIC Coverage up to $140 Million

Traditional Bank participates in the IntraFi Network. As a member, we have the ability to federally insure funds in excess of $250,000 — up to $140 million — using our ICS Cash Manager product. This product features the ability to set a target balance and sweep excess funds overnight into FDIC-insured institutions in increments below the FDIC limit. We recommend placing any funds over $250,000 into the ICS Cash Manager account.

Historical Federal Funds Rate Reference

See Appendix C for full historical rate detail. Traditional Bank's proposed rate structure (FF – 50 bps, floor 0.50%) is benchmarked against Federal Reserve official publications and will be confirmed at award.

Section G — Loan Bids

Traditional Bank is prepared to offer short-term borrowing accommodations for the Menifee County Board of Education should the need arise, in accordance with KRS 160.540. Subject to standard credit approval based on District financial information, we propose the following rates:

- Short-term line of credit: Prime Rate
- Term loans: Prime Rate + [___] bps (to be confirmed at award)
- Legal lending limit: [To be confirmed — subject to current capitalization levels]

Our local decision makers ensure that credit decisions are made quickly without navigating a corporate approval chain. Whitney Davidson will coordinate all borrowing arrangements directly with the District.

Section H — Direct Deposit Program

A detailed description and implementation plan are provided in Appendix A. Key highlights are summarized below.

Implementation & File Method

Traditional Bank will implement a secure, NACHA-compliant direct deposit program tailored to the District's semi-monthly payroll cadence (15th and 30th; adjusted for holidays and weekends). File transmission via SFTP or secure portal (TLS 1.2+ encryption). Dual control available. Test file validation prior to go-live. Whitney Davidson and her team will provide on-site support throughout implementation.

Indicative Implementation Timeline (2–4 Weeks)

- Week 1: Kickoff; confirm file layout, user entitlements, and cutoffs; exchange SFTP keys; configure accounts and ACH company IDs.
- Week 2: Test cycle; transmit test/prenote file; validate posting and reporting; finalize Same Day ACH contingency steps.
- Week 3–4: Go-live; first production payroll with enhanced monitoring and post-cutoff escalation tree.

Payroll Processing Deadlines

- Standard: Payroll file received 2 business days prior to pay date, 3:00 p.m. ET cutoff.
- Same Day ACH contingency: Available if file received by 9:00 a.m. ET on pay date.
- Return handling and notifications processed per NACHA timelines; exceptions resolved same day.

Zero-Late-Pay Guarantee: Traditional Bank guarantees on-time posting. If a deadline is at risk, we execute Same Day ACH and escalate through our ACH operations team. Payroll will never be late.

Reconciliation & Reporting

- Employee-level posting confirmations; return item notifications; exception management; automated reports.
- BAI2/CSV exports; electronic reconciliation file in MUNIS-accepted format delivered via email.
- Historical reports retained for 7 years and available on-demand.

Security

- Multi-factor authentication, IP allowlisting, and OFAC screening.
- Positive Pay integration; behavior tracking; large transaction reporting.
- Daily dollar limits and dual control for sub-user administration.
- Segregation of duties and comprehensive audit trails.

Section I — Location of Offices

Traditional Bank operates 20 banking centers across central Kentucky, including a branch in Menifee County, providing direct local access for the District. Service counties include:

- Bourbon County
- Clark County
- Fayette County
- Franklin County
- Jefferson County (newest location)
- Menifee County (local branch)
- Montgomery County
- Shelby County

Most locations offer an ATM, drive-up banking, safe deposit boxes, and a full lending staff. Visit www.traditionalbank.com for a complete listing of locations and service hours.

Section J — Other Bank Services & Value-Adds (Optional)

Fraud Protection

Payee Positive Pay and ACH debit filters/blocks — included at no charge. Automated fraud detection matches issued check files against items presented for payment, with online check image viewing, email alerts, and account-level ACH activity rules.

Cash Management Suite

Online banking with role-based entitlements, dual approvals, and comprehensive audit logs. ACH origination, stop payments, wire transfers, Bill Payments, Electronic Federal Tax Payments, and Secure File Transfers — all accessible from a single portal without leaving the office.

Remote Deposit Capture (e-deposit)

Desktop scanner installed at District office at no cost. Checks scanned and deposited electronically — no branch trips required. Same-day credit before cutoff. Traditional Bank installs all hardware and software and provides hands-on training.

IntraFi / ICS Cash Manager

FDIC coverage up to $140 million for funds exceeding $250,000. Overnight sweep into FDIC-insured institutions in sub-$250K increments. One easy-to-read statement. Competitive rates.

CD Investment Option

Any excess funds placed in a certificate of deposit priced at 10 basis points over our published CD rate sheet — maximizing return on idle funds.

Wire Transfers

Online wire transfer provides faster processing than mailing a check. Ability to create templates and recurring wires. Secure multifactor authentication. Dual control available.

Information Reporting

BAI2/CSV exports; electronic reconciliation file in MUNIS-accepted format delivered via email. Up to 24 months of account history accessible online at any time.

Merchant Services

Traditional Bank maintains a partnership with Streamline Payments, providing processing through America's largest and most reliable platforms with PCI-compliant card holder data security.

Community Partnership

Partner schools invited to host car washes at Traditional Bank branches; school achievements promoted via our Facebook page; branch lobbies available for school event postings.

Section K — Bidder Agreement

The undersigned agrees, if this bid is accepted within the specified time, to provide all services and pricing quoted herein in accordance with the Bid Invitation and applicable law. The undersigned further declares that this bid is fair and without collusion and that no District employee has any prohibited interest in this bid.

Authorized Signature: Whitney Davidson

Whitney Davidson
Assistant Vice President, Cash Management Director
Traditional Bank
Date: 04/06/2027

Appendix A — Direct Deposit Program Details (Section H)

Traditional Bank will implement a secure, NACHA-compliant direct deposit program tailored to the District's semi-monthly payroll cadence (15th and 30th; adjusted for holidays/weekends). Whitney Davidson and her team will provide on-site support throughout implementation and go-live.

A. Implementation Timeline (Indicative 2–4 Weeks)

- Week 1: Kickoff; confirm file layout, user entitlements, and cutoffs; exchange SFTP keys; configure accounts and ACH company IDs.
- Week 2: Test cycle; transmit test/prenote file; validate posting and reporting; finalize Same Day ACH contingency steps.
- Week 3–4: Go-live; first production payroll with enhanced monitoring and post-cutoff escalation tree.

B. File Transmission & Security

- Transmission via SFTP or secure portal; TLS 1.2+ encryption; multi-factor authentication.
- Optional dual approval workflow for file release; ACH limits with real-time alerts.
- Segregation of duties and comprehensive audit trails.

C. Processing Deadlines

- Standard: Payroll file received 2 business days prior to pay date, 3:00 p.m. ET cutoff.
- Same Day ACH: Contingency available if file received by 9:00 a.m. ET on pay date.
- Return handling and notifications processed per NACHA timelines; exceptions resolved same day.

D. Reporting & Reconciliation

- Posting confirmations at employee level; BAI2/CSV downloads next morning.
- Return/NOC alerts delivered to designated contacts; automated remediation workflows.
- Electronic reconciliation file provided in MUNIS-accepted format.
- Historical reports retained for 7 years and available on-demand.

E. Fees & District Cost Offset

- Electronic pay stub installation ($2,500 value) and annual license ($3,000 value) — District cost: $0.
- Direct deposit processing and standard ACH services: $0 per RFP requirements.

- No service charges of any kind, including stop payments, cashier's checks, overdraft charges, returned deposited items, electronic funds, or wire transfers.

F. References

- Reference 1 – Contact, Title, Organization, Phone/Email [To be provided upon award]
- Reference 2 – Contact, Title, Organization, Phone/Email [To be provided upon award]
- Reference 3 – Contact, Title, Organization, Phone/Email [To be provided upon award]

Appendix B — Bond of Depository Form

A copy of the executed Bond of Depository Form, meeting Kentucky Department of Education and KRS requirements, will be provided by Traditional Bank upon award. We acknowledge all collateralization, safekeeping, and receipt requirements, including maintenance at levels established annually by the Board.

Traditional Bank participates in the IntraFi Network with the capacity to insure deposits up to $140 million, providing additional protection well beyond standard FDIC limits.

Appendix C — Historical Interest Rate Data (Federal Funds Rate)

The following table summarizes Federal Funds Rate context to support Traditional Bank's proposed rate structure (FF – 50 bps, floor 0.50%). Values to be confirmed against Federal Reserve official publications at award/finalization.

Period	Federal Funds Rate (Avg.)	Proposed Rate (FF - 50 bps, floor 0.50%)
2023	5.00% - 5.33%	4.50% - 4.83%
2024	5.33% - 5.50%	4.83% - 5.00%
2025	4.25% - 5.33%	3.75% - 4.83%
2026 YTD	[To be confirmed]	[To be confirmed]

Note: All rates subject to confirmation against Federal Reserve H.15 release at time of award.