

## REQUEST FOR PROPOSAL

Issued By:  
OHIO DEPARTMENT OF COMMERCE  
DIVISION OF UNCLAIMED FUNDS  
77 S. High Street, 20<sup>th</sup> Fl.  
Columbus, OH 43215  
May 7, 2013  
**Proposals Due: May 17, 2013**

Subject of RFP: Banking and Brokerage Services for FY2014 and FY2015  
**RFP Number: UNFD 2014-01**

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  - CONTRACT FOR INVESTMENT OF LIQUID OPERATING FUNDS ON A SHORT-TERM BASIS

#### Attachments:

- Sample Banking Services Contract
- Sample Investment Services Contract

## SECTION 1

### GENERAL DESCRIPTION OF REQUEST FOR PROPOSAL

1. This Request for Proposal (RFP) is issued by the Ohio Department of Commerce Division of Unclaimed Funds (State) to solicit proposals for banking and brokerage services for unclaimed funds, specifically for:
  - a. Depositing unclaimed funds received by the Division, transferring such funds from and to Division accounts, and processing electronic funds/data transfers; and
  - b. Investing the Division's liquid operating unclaimed funds on a short-term basis

These services are to be provided to the Division through two (2) separate contracts, the specifications of which are enclosed in this RFP. A prospective bidder may submit a proposal for either or both of the contracting areas.

2. The Offeror must be knowledgeable of banking and/or brokerage services so as to be able to perform the duties set forth in any contract for which a proposal is submitted and subsequently entered into with the Division. The Offeror must be knowledgeable of ORC Chapter 169, as it relates to the services to be provided, and relevant state and federal law. **The Offeror shall provide with this RFP a written statement certifying Offeror's knowledge of the aforementioned areas and references that can verify the Offeror's knowledge.**
3. The Offeror, if awarded a contract, will conduct the work and provide services as outlined in the Scope of Work, Section 5 herein.
4. The Offeror shall submit a proposal or proposals as set forth herein. The State reserves the right to request additional information from any Offeror submitting a proposal.
5. All costs incurred in the preparation of the proposals shall be borne by the Offeror, and are not chargeable to the State.
6. Division personnel will be available to answer questions regarding the work to be performed.
7. The terms of the Contract shall commence on **July 1, 2013** and will terminate on **June 30, 2015**.
8. **Proposal Deadline:** Proposals must be received by the State by **5:00 p.m. on May 17, 2013**. Proposals shall be sent via electronic transmission to

Ohio Department of Commerce  
Fiscal Procurement Section  
**Attn: Joy McKee**  
[Joy.McKee@com.ohio.gov](mailto:Joy.McKee@com.ohio.gov)  
(614) 644-2005

9. **All proposals must be received by electronic transmission to the above email address** in the Fiscal Procurement Section at the Ohio Department of Commerce, 6606 Tussing

Road, Columbus, OH 43068 by the above-specified date and time. The State reserves the right to reject any proposal or unsolicited proposal amendments received after the deadline, regardless of the reason for delay.

10. All questions concerning the work to be performed must be submitted in writing to the query link on the State of Ohio Procurement Opportunities Portal located at <http://procure.ohio.gov/proc/searchProcOpps.asp>.
11. **Amendments and Withdrawals.** If the State amends the RFP, an Offeror may amend its proposal within the time specified by the State. Withdrawals by Offeror must be made in writing. Amendments or withdrawals of proposals will be permitted if the amendment or withdrawal is received before the proposal due date. No amendment or withdrawal will be permitted after the due date, except as expressly authorized by the State.
12. All proposals and other materials responding to this RFP shall become the property of the State.
13. **Public Records.** All proposals and supporting materials submitted with the proposals are subject to Ohio's Public Records Act pursuant to ORC Section 149.43. Trade secrets and proprietary information should not be included in a proposal or supporting materials.
14. **Deficiencies.** State may seek clarification of deficiencies in a proposal. The State may waive any defects in any proposal or in the submission process followed by an Offeror if it is in the State's interest and will not cause any material unfairness to other Offerors.
15. **Rejection.** State may reject any proposal that is not in the required format, does not address all the requirements of the RFP, or that State believes is excessive in price or not cost effective. State reserves the right to reject any and all proposals where the Offeror takes exception to the terms and conditions of the RFP or fails to meet the terms and conditions, including but not limited to, standards, specifications, and requirements as specified in the RFP. State reserves the right to reject, in whole or in part, any and all proposals where the State -- taking into consideration factors, including but not limited to, price and the results of the evaluation process -- has determined that award of a contract would not be in the best interest of the Department of Commerce Division of Unclaimed Funds or the State.
16. **Cancellation.** State reserves the right to cancel this RFP, reject all proposals, or seek to work through a new RFP, or other means.
17. **Evaluation.** Each proposal will be reviewed by an evaluation committee comprised of personnel from the Department.
18. **Contract.** If this RFP results in a contract award, it is acknowledged and understood by any Offeror responding to this RFP that the contract will include this RFP, any written amendments to the RFP, the Offeror's proposal, and written, authorized amendments to the Offeror's proposal. It also will include any purchase orders and change orders issued under the contract.

**SECTION 3**  
**PROPOSAL REQUIREMENTS**

The proposal must be submitted by **5:00 p.m., on May 17, 2013**. It shall include the following:

1. Offeror's profile including Offeror's name and address, the name and address of a contact person with authority to answer questions regarding the proposal, Offeror's FEIN, ownership, state of incorporation or organization, and documentary proof that Offeror is in good standing and registered to do business in the State of Ohio. The profile also shall include a comprehensive description of Offeror, its business and scope of services, and the applicability of such to the work set forth in Section 5 herein. Offeror shall provide a statement disclosing whether it is in compliance with Chapter 169 of the Ohio Revised Code which requires the filing of an annual unclaimed funds report.
2. Offeror shall provide its most recent certified, audited financial statement and its most recent unaudited financial statement under oath of its Authorized Officer and in such detail as to show the capital funds of the Offeror as of the date of its latest report to the Superintendent of Financial Institutions or the Comptroller of the Currency.
3. Profiles of the personnel to be assigned to conduct the work set forth in Section 5. The profile may include the resume and/or curriculum vitae of the assigned individual, and shall address the education, training, background, and relevant technical experience of each assigned individual.
4. Client profiles including a summary of Offeror's corporate clients. Offeror shall also identify similar work performed for other clients, including the range of the project, timeframe, and services provided which are relevant to the work set forth in Section 5.
5. Offeror's proposed compensation for conducting the work set forth in Section 5, including a breakdown of the cost of each segment of the work to be performed as well as the total cost. Offeror is to submit a *transaction fee schedule* for all required banking and brokerage services. Specifically, Offeror will provide the applicable fee for each transaction/activity when "**to be determined**" is noted in Section 5 herein and in the contract in place of a monetary amount. Note that contracts contain exhibits regarding fees, and Offeror must provide its itemized fees for the services referenced in the exhibits and shall identify any and all fees not specified if such fees would be charged for the work to be performed.
6. The identification of the specific contract for which the proposal is being submitted and the technical approach, other than instructions provided herein, detailing how the Offeror proposes to perform the work set forth in Section 5 for each applicable contract for which the Offeror is submitting a bid. Offeror shall also provide, when applicable, the appropriate information when "**to be determined**" is noted in Section 5 and the specific contract on which Offeror is bidding.
7. If bidding on more than one type of contract in response to the RFP, Offeror may combine its response in one proposal, provided that the beginning of Offeror's responsive proposal specifies the part(s) or types of contract to which the bidder is responding. A combined response must otherwise meet all other requirements specified in the RFP.

8. If bidding on the banking services portion of the RFP, Offeror shall present the Demand Depository Account (DDA) fee schedule on an “interest earnings” basis, instead of on an “earnings credit” basis.
9. A statement affirming that all applicable parties listed in Division (I) or (J) of R.C. Section 3517.13 are in full compliance with Divisions (I) and (J) of R.C. Section 3517.13.
10. A statement affirming that the Offeror is in compliance with and will continue to adhere to the requirements of Ohio Ethics Laws as provided by R.C. Section 102.03 and 102.04.
11. A statement that the Offeror has not been issued any unresolved Finding for Recovery by the Auditor of the State of Ohio as defined in R.C. Section 9.24(F).
12. A statement that the Offeror is not debarred from consideration for contract awards by the Director of the Department of Administrative Services, pursuant to either R.C. Sections 153.02 or 125.25.
13. A statement disclosing any and all ties to personnel within the Division of Unclaimed Funds as well as any prior experience or involvement of any nature with the Division of Unclaimed Funds. Such involvement shall include but is not limited to the performance of unclaimed funds examinations for the State, the filing of any unclaimed funds reports, and the filing of any claim for unclaimed funds. The State reserves the right to decline award to any bidder whose experience and/or involvement presents a risk of a non-objective final product.
14. **Offshore Services Certification.** Offeror shall affirm that if awarded a contract, Offeror, its employees, agents, and subcontractors shall perform no services under the contract outside the United States. Offeror shall affirm that it has read, understands and will abide by the requirements of Executive Order 2011-12K (EO 2011-12K) *Governing the Expenditure of Public Funds for Offshore Services*, attached to this RFP. Offeror shall further affirm that it has in good faith completed, signed and returned with Offeror’s proposal the required EO 2011-12K Affirmation and Disclosure Form (“Form,” attached) whereby Offeror has disclosed: (a) the location(s) where all services will be performed by Offeror or any subcontractor in the performance of the contract; (b) the location(s) where any state data associated with any of the services to be provided, or sought to be provided will be accessed, tested, maintained, backed up or stored; and (c) the principal location of business of Offeror and all subcontractors who will supply services to State under the contract. Offeror, shall further affirm on the Form that if awarded a contract, Offeror will further disclose any shift in the location of any services by Offeror or any subcontractor.

**SECTION 4**  
**GENERAL CONTRACT REQUIREMENTS**

1. Upon a successful selection, the vendor will enter into a contract with the State of Ohio, Department of Commerce, Division of Unclaimed Funds and become the Contractor. The Contractor shall undertake the work and activities set forth in the Contract and in this RFP. Below are general contract requirements. The contractor shall refer to the specific Scope of Work Detail (Section 5) herein for each contract for the contract terms.

2. The Contractor shall furnish professional services performed in accordance with community standards and applicable law necessary for the satisfactory performance of the work required. Services shall be performed by the Contractor, and the State shall not hire, supervise or pay any assistants to the Contractor in its performance under the Contract. The State shall not be required to provide any training to the Contractor to enable it to perform services required.
3. The Contractor shall declare that it is engaged as an independent business and has complied with all federal, state, and local laws regarding business permits and licenses of any kind, including but not limited to any insurance coverage that is required in the normal course of business, as well as any specialized insurance that is specified herein that may be required to carry out its business and perform under the terms of the contract. The Contractor agrees that it does not have any authority to sign contracts, notes, and/or obligations or to make purchases and/or dispose of property for or on behalf of the State, except for the brokerage contract for the liquidating of securities received by the Division.
4. The State may, from time to time, communicate specific instructions and requests to Contractor concerning the performance of the work described in the Contract. Upon such notice and within ten (10) days after receipt of instructions, Contractor shall comply with such instructions and fulfill such requests to State's satisfaction. It is expressly understood by the parties that these instructions and requests are for the sole purpose of performing the specific tasks requested to ensure satisfactory completion of the work described in the Contract. The management of the work, including the exclusive right to control or direct the manner or means by which the work is performed, remains with the Contractor. State retains the right to ensure that Contractor's work is in conformity with the terms and conditions of this RFP and Scope of Work set forth in any executed Contract.
5. The Contractor, as applicable to the specific contract, shall deliver, assign, transfer and convey to the State all rights, title and interest to all documents, data, materials, information, processes, studies, reports, surveys, proposals, plans, codes, scientific information, technological information, regulations, maps, equipment, charts, schedules, photographs, exhibits, software source code, documentation and other materials and property prepared or developed or created or discovered under or in connection with the Contract (the "Deliverables").
6. Contractor acknowledges that none of the rights duties, and obligations described in the Contract shall be binding on either party until all statutory provisions under the Ohio Revised Code, including but not limited to Section 126.07, have been complied with, and until such time as all necessary funds are made available and forthcoming from the appropriate state agencies, and when required, such expenditure of funds is approved by the Controlling Board of the State of Ohio, or in the event that federal funds are used, until such time that the State gives the Contractor written notice that such funds have been made available to the State by the State's funding source.
7. The work is to be performed by the Contractor, who may subcontract without the State's approval for the purchase of articles, supplies, components or special mechanical services that do not involve the type of work or services described in this RFP and the Contract, but which are required for its completion. ***The Contractor shall not enter into other***

***subcontracts without written approval by the State.*** All work subcontracted shall be at the expense of the Contractor.

8. The Contractor shall furnish its own support staff, materials, tools, equipment and other supplies necessary for the satisfactory performance of the work. Neither the Contractor nor its personnel shall be at any time, or for any purpose, considered as employees or agents of the State.
9. The Contractor shall be responsible for assuming all office and business expenses that are incurred as a result of the performance of the Contract. There shall be no reimbursable expenses associated with the Contract separate from the compensation referred to in Article IV: Compensation of the Contract. Contractor shall be responsible for all expenses, including but not limited to meals, travel, lodging, equipment, supplies and personnel.
10. While Contractor shall be required to render services described hereunder for State during the term of the Contract, nothing herein shall be construed to imply, by reason of Contractor's engagement hereunder on an independent contractor basis, that State shall have or may exercise any right of control over Contractor with regard to the manner or method of Contractor's performances of services hereunder.
11. At its own expense, the Contractor must procure and continue in force at all times during the period of the contract the minimum levels of insurance coverage required by the State. Contractor shall furnish certificates of insurance to State for all the required coverage, including Workers' Compensation.
12. The Contractor shall keep all financial records in a manner consistent with generally accepted accounting procedures. Documentation to support each action shall be filed in a manner allowing it to be readily located.
13. The Contractor shall keep a separate account for this project (the "Contract Account"). All disbursements from the Contract Account shall be only for obligations incurred in the performance of the Contract and shall be supported by contracts, invoices, vouchers, and other data, as appropriate to support such disbursements. All disbursements from the Contract Account shall be for obligations incurred only after the effective date of the Contract, unless specific authorization for prior disbursements has been given in writing by the State.
14. During the period covered by this Contract, and until the expiration of three (3) years after final payment under this Contract, the Contractor agrees to provide the State, its duly Authorized Representatives, or any person, agency or instrumentality indicated by the Director as providing financial support to the work undertaken hereunder, with access to and the right to examine any books, documents, papers and records of the Contractor involving transactions related to this Contract, subject to prior notice and the Contractor's security procedures. The Contractor shall, for each subcontract with an unaffiliated company in excess of \$2,500.00, require its subcontractors to agree to the same terms.
16. Contractor shall furnish to the State a list of all subcontractors, their addresses, tax identification numbers and the dollar amount of each subcontract.
17. The Contractor agrees to indemnify and will hold the State harmless from any and all

claims for injury or damages resulting from the Contractor's activities in furtherance of the work hereunder, and from wages or overtime compensation due the Contractor's employees in rendering services pursuant to this Contract, including payment of all costs in defense of any claim made under the Fair Labor Standards Act or any other federal or state law. When applicable, the Contractor shall reimburse the State for any judgments for infringement of patent or copyright rights.

18. The Deliverables provided by the Contractor, as applicable to the specific Contract, shall become the property of the State. To the extent that any of the work performed under this Contract would be copyrightable under the 1976 Copyright Act of the United States of America, as amended (the "Copyright Act"), such work shall be considered "work made for hire" as defined by the Copyright Act and any such material shall be the copyrighted property of the State. The State, and any person, agency or instrumentality providing financial assistance for the work performed under the applicable Contract shall have an unrestricted right and authority to reproduce, distribute, modify, maintain and use the Deliverables in whole or in any part, and the Contractor shall not obtain copyright, patent, or other proprietary protection for the Deliverables.
19. Contractor shall not obtain copyright, patent or other proprietary protection for the Deliverables in the United States or in any other country. To the extent that the Contractor may obtain any copyrights, privileges and/or proprietary rights in the Deliverables, the Contractor hereby relinquishes any and all such copyrights, privileges and proprietary rights in the Deliverables to the State. The Contractor shall not include in any Deliverable any copyrighted or patented matter, unless the copyright or patent owner and any person, agency or instrumentality providing financial assistance to the work hereunder gives prior written approval to use such copyrighted or patented matter in the manner provided herein.
20. Neither the Contractor nor any of the Contractor's employees, agents, subcontractors or assigns shall make a disclosure for the purpose of securing a patent in the United States or in any other country for any of the Deliverables, unless such disclosure is approved in writing by the State prior to application for the patent. In the event that such patent is obtained, the Contractor shall, at the request of the State, provide the State written authorization for the State and any other person, agency or instrumentality contributing financial support to the work contemplated hereunder to make use of the subject of the said patent disclosure without payment therefore.
21. Contractor agrees to preserve the integrity of the State's security and confidentiality. If Contractor is engaged in handling confidential State information or property, it will be required to exercise appropriate security precautions. However, Contractor agrees that all Deliverables shall be made freely available to the general public to the extent permitted or required by law. "Free availability" shall in this context mean that if the Deliverables are public records as defined in Section 149.43 of the Ohio Revised Code, copies of the Deliverables shall, upon request, be made available at the actual cost of reproduction and in accordance with the policy of the State of Ohio.
22. The Contractor agrees to comply with all applicable federal, state and local laws, as well as applicable administrative rules promulgated pursuant to ORC Section 169.09, in the conduct of the work hereunder, as the same are constituted on the effective date hereof, or as the same may be amended after that date and during the term of the Contract. The Contractor agrees that the State is not liable for any damages, financial or otherwise, that

an amendment of any applicable law or administrative rule impacting the work hereunder, has or may have on Contractor. The Contractor and its employees are not employees of the State with regard to the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, for state revenue and tax laws, state Workers' Compensation laws, state unemployment insurance laws, the Child Support Enforcement Act, and all rules and regulations governing the Americans with Disabilities Act. The Contractor waives any eligibility for participation in the Ohio Public Employees Retirement System. The Contractor shall maintain a satisfactory Community Reinvestment Act rating.

23. The Contractor accepts full responsibility for payment of all taxes including, without limitation, unemployment compensation insurance premiums, all income tax deductions, social security deductions, and any and all other taxes or payroll deductions required for all employees engaged by the Contractor in the performance of the work authorized by the Contract. Further, the Contractor shall indemnify, save and hold State harmless from any and all liability or damages arising from the Contractor's failure to meet its obligations under this section.
24. The State is exempt from federal, state and local taxes and shall not be liable for any taxes under the Contract.
25. Contractor agrees to comply with all applicable federal, state and local laws in the conduct of the work hereunder.
26. Neither the Contractor nor any member of the governing body of any locality or other public official or employee of any such locality in which, or relating to which, the work under the Contract is being carried out, and who exercises any functions or responsibilities in connection with the review or approval of the Agreement or carrying out of any such work, shall, prior to the completion of the work, voluntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the discharge and fulfillment of his or her functions and responsibilities with respect to the carrying out of said work.
27. Any such person who acquires an incompatible or conflicting personal interest, on or after the effective date of the Contract, or who involuntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to State in writing. Thereafter, he or she shall not participate in any action affecting the work under this Contract, unless State shall determine in its sole discretion that, in the light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.
28. In carrying out the Contract, the Contractor, any subcontractor, and any person acting on behalf of the Contractor or a subcontractor shall not discriminate against any employee or applicant for employment because of race, religion, color, gender, national origin, military status, disability, age, genetic information, or sexual orientation. The Contractor will ensure that applicants are hired and that employees are treated during employment without regard to their race, religion, color, gender, national origin, military status, disability, age, genetic information, or sexual orientation. Such action shall include, but not be limited to the following: Employment, Upgrading, Demotion or Transfer;

Recruitment or Recruitment Advertising; Layoff or Termination; Rates of Pay or other forms of Compensation; and Selection for Training including Apprenticeship.

29. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, gender, national origin, military status, disability, age, genetic information, or sexual orientation. The Contractor shall incorporate the foregoing requirements of this article in all of its contracts for any of the work prescribed herein (*other than subcontracts for standard commercial supplies or raw materials*), and will require all of its subcontractors for any part of such work to incorporate such requirements in all subcontracts for such work.
30. Contractor shall be liable for direct damages, as agreed to by the parties or as awarded by a court of competent jurisdiction, which are incurred due to the fault or negligence of the Contractor. The Contractor is responsible for satisfactory completion of work as indicated in the Contract, and shall make every effort to correct any deficiencies and complete each assigned task or work.
31. In no event shall either party be liable for any indirect, consequential, or punitive damages, including loss of profits, even if the other party knew or should have known of the possibility of such damages.
32. Notwithstanding any language to the contrary, the Contractor shall be liable for any personal injury or damage to real property or tangible personal property, caused by the fault or negligence of the Contractor. In no event shall the State be liable for injuries suffered by the Contractor, or the Contractor's employees, related to the work performed under the Contract.
33. Contractor agrees to comply with all applicable state and federal laws regarding smoke-free and drug-free workplaces. Contractor shall make a good faith effort to ensure that all of Contractor's employees, while working on state property, will not purchase, transfer, use or possess illegal drugs or alcohol, or abuse prescription drugs in any way.
34. The Accounts under the Contract shall be titled: **“Ohio Department of Commerce Division of Unclaimed Funds As Custodian for Owners of Unclaimed Funds.”**

**SECTION 5**  
**SCOPE OF WORK DETAIL #1**

**CONTRACT FOR THE DEPOSIT OF FUNDS RECEIVED BY THE DIVISION,**  
**TRANSFERRING FUNDS FROM AND TO ACCOUNTS, AND PROCESSING**  
**ELECTRONIC FUNDS/DATA TRANSFERS**

***DEFINITIONS***

Except as otherwise provided in this Contract, the following words and/or phrases have the definitions given in this section:

- A) "Account"- accounts opened pursuant to Exhibit 1, Scope of Work, at the Contractor as a result of this Contract, and any and all related sub-accounts.
- B) "Contract"- the Contract, dated **July 1, 2013**, and all properly executed amendments, addenda, or any other form of modification;
- C) "Authorized Representative"- those individuals identified in the section of the Contract entitled "Assignment of Personnel";
- D) "Day"- a business day;
- E) "Director" - the Director of the State of Ohio, Department of Commerce;
- F) "FRB" - a Federal Reserve Bank or Contractor;
- G) "Item" -any instrument denominated in U.S. Dollars for the payment of money even though it is not negotiable but does not include money; and
- H) "ORC" - the Ohio Revised Code, as constituted on the effective date hereof, or as may be amended after that date and during the terms of this Contract.

**ACCOUNT AND BALANCE INFORMATION**

A. General

- 1. The Contractor agrees to establish and maintain such account(s) and sub-account(s) as are necessary to accommodate the Division from time to time. The account(s) are to be in the form of Demand Deposit Accounts, and are for the purpose of depositing and accounting of monies belonging to or due the account(s) listed below. The account(s) are the following:

**“Ohio Department of Commerce Division of Unclaimed Funds As  
Custodian for Owners of Unclaimed Funds” - MIF  
77 South High St., 20th Floor  
Columbus, OH 43215  
Account Number: To be determined  
Account Description: Operating Depository A/C**

**“Ohio Department of Commerce Division of Unclaimed Funds  
As Custodian for Owners of Unclaimed Funds” - MIF  
77 South High St., 20th Floor  
Columbus, OH 43215**

**Account Number: To be determined**

**Account Description: Electronic Depository Collection A/C**

2. Account(s) are subject to all applicable federal and state laws and regulations and to all customs and practices, except as otherwise provided herein.
3. The Contractor will safely keep and account for all monies deposited to the Account(s). The Contractor further agrees to pay over any moneys in the Account(s) on the demand of the State, subject to being withdrawable and available as provided in the Contract and under applicable law.

**B. Deposit, Withdrawal, Balance and Transaction Information**

1. Availability (unless applicable law provides otherwise):
  - a. All Cash Items deposited to the Account(s) shall be credited and available for withdrawal:
    - i. no more than twenty-four (24) hours from the day of deposit by the State;
    - ii. if sent by the Contractor for collection through any clearing house, on the settlement date or the day provisional or final credit is received by the Contractor, whichever is earlier;
    - iii. if sent by the Contractor for collection through any automated clearing house, on the effective date of transfer of the funds to the Contractor; or
    - iv. if incoming domestic wire transfer, accurately identified, immediately.
  - b. All Non-Cash Items shall be deposited and credited to the Account(s) and shall be available for withdrawal on the day the Contractor receives final payment.
  - c. The Contractor shall have the capability to accept multiple deposits during a twenty-four (24) hour period, and will begin processing deposits in accordance with its standard deposit processing procedures. The State may make deposits of any size at any of the Contractor's offices.
  - d. The Contractor shall endeavor to use methods of collection which shall speed the collection of Items and shall collect all Items as cash Items to the extent that the applicable law and regulations, FRB Operating Letters, or rules of any clearing house permit any Items to be treated as cash Items.

2. Balance and Transaction Reporting

The State may obtain balance and transaction reporting such as previous day ledger balance, collected balance, one (1) and two (2) day float, previous day deposits, average available balances for the month and stop payment authorization, checked or placed, from the Contractor through the **(to be determined)** system.

3. Adjusting Entries

- a. The Contractor shall credit the Account(s) with the amounts shown on deposit tickets and make adjusting entries, if the amounts listed vary from the actual amounts deposited in accordance with standard notification procedures of the Contractor. The Contractor shall notify the State of all deposit corrections in accordance with standard notification procedures of the Contractor. Such notification shall include full identification from available information to enable the State to verify and correct the error.
- b. All deposit corrections and any other miscellaneous adjustments made to the Account(s) by the Contractor which are not specifically addressed in the Contract shall be sent to the State not later than two (2) days after adjustment to the Account(s) by the Contractor.

4. Returned Deposits

- a. The Contractor will automatically redeposit once any deposit Item has been returned to the Contractor due to insufficient, unavailable or uncollected funds, and the State hereby waives giving notice of dishonor, pursuant to Regulation CC of the Board of Governors of the Federal Reserve System, on such redeposited Items.
- b. All returned deposit Items referenced in paragraph (a) above which have been returned a second time and all returned deposit Items not referenced in the paragraph(s) above shall be charged back to the Account(s) and shall be sent to the State not later than two (2) days after receipt of such Items by the Contractor.

C. Assignment of Personnel

1. Contractor's Personnel

The Contractor has assigned the following personnel to assume responsibility for proper maintenance of the Account(s), and for compliance with the terms and conditions of this Contract. These personnel will provide prompt assistance in problem resolution. These personnel may change in the Contractor's discretion. The Contractor will send written notice to the Division within a reasonable time frame after any change.

Contractor – **To be determined**

2. State Personnel

- a. The Director will provide the Contractor a certificate setting forth the names of the Authorized Representatives of the State. The Authorized Representatives of the State are in the attached **Exhibit A**. Written notification of changes in the Authorized Representatives of the State will be forwarded to the Contractor. The Contractor may rely on such notification if the notification is or appears in the Contractor's good faith judgment to be signed by the Director until the Contractor receives notice of any change sent in accordance with this Contract.
- b. If the signatures of any Authorized Representative are to be made by electronic authorization, the Director shall certify the names which may appear by electronic authorization to the Contractor. The certified names are in the attached **Exhibit B**. The Contractor is authorized to rely on these certifications as being in effect until written notice of any change therein shall be delivered to and acknowledged by the Contractor, upon request.

D. Titles of Accounts and Collateralization

The Accounts shall be titled on the records of the Contractor in the name of the **“Ohio Department of Commerce Division of Unclaimed Funds as Custodian for the Owners of Unclaimed Funds.”** The Contractor will collateralize account(s) in the manner specified in ORC Section 135.18 or ORC Section 135.181, and Revised Code Chapter 169. The collateral will be held at the FRB of Boston, in the name of the Contractor and pledged to Account(s). The State will be informed in writing of any intended change in the collateral position. Upon request of the State, a complete report of the collateral specifically assigned for account(s) will be provided.

## **CASH MANAGEMENT SERVICES**

A. Wire Transfers

1. The Contractor shall have the capability to initiate and receive all types of wire transfers, including domestic and international, verbal, written and terminal.
2. Subject to the Contractor's security and other wire transfer procedures, the Contractor will take, from Authorized Representatives (as specified in paragraph 5 below), written, verbal, and electronic wire instructions.
3. The Contractor will initiate domestic wire transfers until 4:30 p.m. each Day, and will receive domestic wire transfers until 5:45 p.m. or as long as the Contractor remains on line with the Fed wire system, whichever is later. However, unusual emergency situations will permit a wire to be accepted on a best efforts basis if prior notification is received.
4. The Contractor will initiate international wire transfers until 4:30 p.m. each Day, and will receive international wire transfers until 5:45 p.m. each Day, with fund availability, if in U.S. Dollars, on the next business day.

5. The Director shall specify in writing in attached **Exhibit C** of the Contract those individuals permitted to initiate, either by verbal, written or electronic means, wire transfer requests, and the State agrees to use PIN's and the Contractor's other security procedures where available, for verification of authenticity of wire transfers. The Contractor may rely on such list until the Contractor receives notice of any change signed by the Director and sent in accordance with the Contract.
6. The Director shall specify in writing in attached **Exhibit D** of the Contract authorized wire transfer destination points, as determined by State requirements. The Contractor may rely on such list until the Contractor receives notice of any change signed by the Director and sent in accordance with the Contract.
7. If requested in advance, receipt of an incoming wire transfer to the Account(s) shall be communicated to the State via telephone or electronic communication. The advice must contain credit account, credit account number, originating Contractor, originating account, and amount of transfer, if provided.

B. Automated Clearing House/ Electronic Data Interchange Origination/Receiving

The State wishes to receive certain information which may or may not be accompanied by payments, and the Contractor shall be willing to provide such a service upon the terms and conditions outlined herein.

1. EDI Services

The Contractor will on behalf of the State receive or send information, which may or may not be accompanied by payments transmitted or received through the National Automated Clearing House Association (hereinafter "NACHA"), other electronic payment networks and other processing systems. If payments are involved in the transmissions, the Contractor will increase/decrease the balance of the State's Accounts (as identified in **Appendix 1**) on the designated settlement date. The State has the option to execute the Contractor's standard Automated Clearing House (hereinafter "ACH") Contract, Wire Transfer Contract or any other applicable Contract designed to facilitate the safe and orderly transfer of funds, if along with receiving of origination of information, the State is transmitting or receiving information and/or payments in one or more of these formats.

2. Provision and Maintenance of Systems

a. The State shall at its own expense provide and maintain the equipment, software and services necessary to effectively and reliably test, transmit and receive all EDI information sent by the Contractor since the most recent transmission or receipt of information (hereinafter "Document(s)"). If the State uses the Contractor's electronic window (hereinafter **To be determined**) the Contractor will provide the State with the appropriate specifications in order to facilitate the State's compliance with this paragraph.

b. The Contractor shall perform the requisite programming to permit the

State to use the Cash Concentration & Disbursement with an addenda record (CCD+) reporting methodology, per the attached **Appendix 2**. The State will pay the Contractor for said programming at the rate of **(To be determined)** per hour, not to exceed a maximum amount of \$2,000.00 The Contractor will invoice the State for said programming, and the State will pay the Contractor, through its account analysis system. This compensation is not to be interpreted in conjunction with Article 4.4 of the Contract.

3. Transmission of Documents

The Contractor shall electronically transmit to the State on a daily basis except for Saturdays, Sundays, or any day upon which the Cleveland Federal Reserve is closed, the information received even if documents contain no information that particular day. Documents with respect to the origination side of EDI will be sent only when scheduled with the State as in the attached **Appendix 2**. Also in Appendix 2 is an outline of the reporting methodology agreed to between the State and the Contractor.

4. Receipt of Documents

Upon receipt by the State of any documents, the State shall promptly and properly transmit a functional acknowledgement in return, unless otherwise specified in the Operating Instructions found in **Appendix 3**. This acknowledgement shall constitute conclusive evidence documents have been properly received. If any document is received in an unintelligible or garbled form, the State shall promptly notify the Contractor in a reasonable manner and upon receipt of such notice, the Contractor shall re-transmit such document. In the absence of such notice, the Contractor shall have no further obligation with respect to the transmission of such document.

5. Security Procedures

The services to be provided under the Contract are designed to maintain the confidentiality of State's information (either transmitted or received) as required by state and federal law, including Section 169.03(F) and Chapters 149 and 1347 of the Ohio Revised Code. While the Contractor will take reasonable precautions to protect this information, it will not be responsible for the unintentional disclosure of information transmitted which results from circumstances beyond the Contractor's reasonable control. Use of the Contractor's electronic window **(To be determined)** to receive information will require the State's compliance with the security procedures outlined by the Contractor.

6. General Notices

- a. The Contractor agrees that its fee schedule for the services covered under the Contract will be fixed for the duration of the Contract.
- b. In providing the services described in the Contract, the Contractor is acting only to facilitate information flow. The Contractor shall have no liability if such payments are not made or funded pursuant to such

information.

- c. Notices should be sent as follows:

If to the Contractor:

**To be determined**

If to the State:

Ohio Department of Commerce  
Accountability Section  
Division of Unclaimed Funds  
77 S. High St., 20th Floor  
Columbus, OH 43215

## **RECONCILIATION**

- A. Information to be Available Daily

The Contractor will provide all prior Day account information by 7:00 a.m. for electronic downloading by the State in BAI 2 format. Both account balances and detail must be included. The Contractor will retain detailed historical information for a minimum of three (3) days.

- B. Information to be Available Monthly

The Contractor shall provide to the State a regular account statement for each statement period showing all the related daily activity in the account(s) of the State within five (5) days of the end of the statement period.

## **FEDERAL RESERVE REQUIREMENTS**

The Contractor will detail any recent changes implemented by the Federal Reserve Bank which would impact the financial relationship between the State and the Contractor.

## **SECTION 5** **SCOPE OF WORK DETAIL #2**

### **CONTRACT FOR INVESTMENT OF LIQUID OPERATING FUNDS ON** **A SHORT-TERM BASIS**

#### ***DEFINITIONS***

Except as otherwise provided in this Contract, the following words and/or phrases have the definitions given in this section:

- A) "Account"- account opened pursuant to Exhibit 1, Scope of Work, at Contractor as a result of this Contract, and any and all related sub-accounts.

- B) "Contract"- this Contract, dated July 1, 2009, and all properly executed amendments, addenda, or any other form of modification;
- C) "Authorized Representative"- those individuals identified in the section of the Contract entitled "Assignment of Personnel";
- D) "Day"- a business day;
- E) "Director" - the Director of the State of Ohio, Department of Commerce;
- F) "FRB" - a Federal Reserve Bank;
- G) "Item" -any instrument denominated in U.S. Dollars for the payment of money even though it is not negotiable but does not include money; and
- H) "ORC" - the Ohio Revised Code, as constituted on the effective date hereof, or as may be amended after that date and during the terms of this Contract.

***ACCOUNT AND BALANCE INFORMATION***

A. General

1. The Contractor agrees to establish and maintain such Account as is necessary to accommodate the State from time to time. Said Account is to be in the form of a Money Market Mutual Fund, and is for the purpose of short-term investment and accounting of monies belonging to or due the Account listed below. Said Account is the following:

**Ohio Department of Commerce**  
**Division of Unclaimed Funds – MIF**  
**77 South High St., 20<sup>th</sup> Floor**  
**Columbus, OH 43215**  
**Account Number: To be determined**  
**Account Description: To be determined**

2. Account is subject to all applicable federal and state laws and regulations and to all customs and practices, except as otherwise provided herein.
3. The Contractor will safely keep and account for all monies deposited to the Account. The Contractor further agrees to pay over any moneys in Account on the demand of the State, subject to being withdrawable and available as provided in the terms of the applicable money market fund, this Contract and under applicable law.
4. Account portfolio will be comprised solely of direct obligations of the U.S. Treasury. The Contractor will notify the State in writing of any changes in the portfolio of the Account that includes investments other than direct obligations of

the U.S. Treasury. Notice shall be made as soon as the Contractor is advised of the change.

5. Account will earn income, in the form of dividends, declared daily, and automatically reinvested to the Account on the first business day of the next month.

B. Purchase, Redemption, Balance and Transaction Information

1. Purchase and Redemption

- a. Purchases and redemptions may be made at any time during normal business hours of the Contractor up to **(to be determined)** each day; excluding days the money market fund is closed due to market holidays.
- b. The Contractor has the capability to accept multiple transactions up to **(to be determined)** each day. The State may make purchases or redemptions of any amount at any of the Contractor's offices.

2. Balance and Transaction Reporting

The State may obtain balance and transaction information daily by contacting the personnel assigned to the Account by the Contractor.

3. Adjusting Entries

All corrections and any other miscellaneous adjustments made to the Account by the Contractor shall be sent to the State not later than two (2) Days after adjustment to the Account by the Contractor.

C. Assignment of Personnel

1. Contractor Personnel

The Contractor has assigned the following personnel to assume responsibility for proper maintenance of the Account, and for compliance with the terms and conditions of this Contract. These personnel will provide prompt assistance in problem resolution. These personnel may change in the Contractor's discretion. The Contractor will send written notice to the State within a reasonable time frame after any change.

Contractor – **To be determined.**

2. State Personnel

- a. The Director will provide the Contractor a certificate setting forth the names of the Authorized Representatives of the State for the Account. The Authorized Representatives of the State are in the attached **Exhibit A**. Written notification of changes in the Authorized Representatives of the State will be forwarded to the Contractor. The Contractor may rely on such notification if the notification is or appears in the Contractor's

good faith judgment to be signed by the Director, until the Contractor receives notice of any change sent in accordance with this Contract.

- b. If the signatures of any Authorized Representative are to be made by electronic authorization, the Director shall certify the names which may appear by electronic authorization to the Contractor. The certified names are in the attached **Exhibit B**. The Contractor is authorized to rely on these certifications as being in effect until written notice of any change therein shall be delivered to and acknowledged by the Contractor, upon request.

## **RECONCILIATION**

### **A. Information to be Available Daily**

The Contractor shall provide to the State daily confirmation statements showing all transactions occurring within the Account each day. The Contractor will retain detailed historical information for all daily transactions until the monthly Account statement is received and reconciled by the State.

### **B. Information to be Available Monthly**

The Contractor shall provide monthly to the State a regular Account statement showing all the related daily activity in the Account within five (5) Days of the end of the month.

## **FEDERAL RESERVE REQUIREMENTS**

The Contractor will detail any recent changes implemented by the FRB which would impact the financial relationship between the State and the Contractor.