

**REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES (BANKING) ISSUED BY THE  
OFFICE OF THE STATE TREASURER  
CONTRACT NUMBER: TRE25101- BANKINGSVC**

**Overview**

This combined request for proposal (the “RFP”) is submitted by the Office of the State Treasurer (“OST”), on behalf of the Cash Management Policy Board (the “Board”) and the Department of Finance, Division of Accounting (“DOA,” and together with OST and the Board, the “State”) and seeks proposals from qualified firms (“Vendors”) interested in providing banking services to the State as detailed herein and **Appendix A (Scope of Services)**. The selected Vendors will provide the State’s deposit account and other core banking needs managed by OST in accordance with the guidelines approved by the Board and provide services to DOA in support of the State’s existing Procurement Card (“PCard”) and Virtual Card Programs, as well as a potential new ePayables Program.

In order to facilitate the evaluation of proposals, the services have been divided into five (5) components as listed below. Vendors may submit proposals covering one or more components. The State intends to select one or more Vendors to provide the required services. Depending on the proposals received and the evaluation process, the State reserves the right to select multiple Vendors for each component. Check Printing Services is not a standalone component, as such, Vendors proposing for Component 5, must also submit a proposal for either Component 1 or Component 3. A detailed description of each component can be found in **Scope of Services**.

- Component 1: General Banking
- Component 2: Lockbox Processing Services
- Component 3: Purchasing/Virtual Card & ePayables
- Component 4: Prepaid Debit Card
- Component 5: Check Printing Services

Vendors should clearly identify the component(s) covered by their proposal in the required Transmittal Letter referenced on page 14.

This RFP is issued pursuant to 29 *Del. C.* §§ 6981, 6982(b) and 6986.

**A. Timetable**

The tentative timetable for this RFP process is as follows:

<b>EVENT</b>	<b>DATE</b>
RFP Published	June 9, 2025
Deadline for Vendor Questions	June 27, 2025
Deadline for State Responses – Q&A Closed & Published	July 18, 2025
Deadline for Vendor Proposal Submission	August 8, 2025
Finalist Presentations (Virtual or In-Person)	September 2-12, 2025
Estimated Board Approval	November 12, 2025 or December 3, 2025
Contract Negotiation Begin	December 8, 2025
Contract Execution	July 16, 2026
Award Notification	July 31, 2026

There will be no pre-bid meeting associated with this RFP.

This RFP is not an offer. The State reserves the right to cancel this RFP or modify the above RFP dates at any time, and for any reason.

Vendors are expected to fully inform themselves of, and by submitting a proposal shall be deemed to have read, understood and unconditionally and irrevocably accepted, all conditions, requirements, and specifications of this RFP and all attachments and exhibits, subject only to the exception process provided for herein.

## **B. Proposal to Remain Open**

Vendors that submit a proposal in response to this RFP shall be deemed automatically to have consented and irrevocably agreed to keep any such proposal open for six (6) months after the deadline for Vendors proposal submissions, or for such additional period as the State and any Vendor may agree upon. Rates and fees quoted in a proposal shall remain fixed and binding on the Vendor.

## **C. Contract Term**

The original term of the contract between each successful Vendor and the State shall be five years, with OST having two two-year extension options, each exercisable in OST's sole discretion, subject only to Board approval.

## **D. Prices**

Prices and/or rates shall remain firm for the initial term of the contract, unless further negotiations are deemed necessary by OST.

## **E. Designated Contact:**

This RFP process will be managed primarily by the Director of Operations and Fund Management with additional support from the Board's Executive Assistant (the "Designated Contacts"):

**Name:** Fiah M. Kwesseu  
**Title:** Director of Operations and Fund Management  
**Address:** 820 Silver Lake Boulevard, Suite 100  
**City / State:** Dover, DE  
**Zip code:** 19904  
**Email:** [Treasury\\_RFP@delaware.gov](mailto:Treasury_RFP@delaware.gov)  
**Phone:** (302) 672-6708

**Name:** Ninna Vaughn  
**Title:** Executive Assistant  
**Address:** 820 Silver Lake Boulevard, Suite 100  
**City / State:** Dover, DE  
**Zip code:** 19904  
**Email:** [Treasury\\_RFP@delaware.gov](mailto:Treasury_RFP@delaware.gov)  
**Phone:** (302)-672-6728

## **F. Submission of Written Questions**

All questions about the RFP shall be submitted to the Designated Contacts listed above via e-mail on or before 4:00 p.m., prevailing Eastern time, on **June 27, 2025**.

Questions should be directly tied to the RFP and asked in consecutive order from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number, heading and subject number to which it relates.

The State will provide written responses to questions from prospective Vendors no later than **July 18, 2025**. Responses will be placed on <https://mmp.delaware.gov/Bids>.

## **Background**

### **A. The Cash Management Policy Board**

The Board has statutory authority over the investment and deposit of State funds, including the selection of financial institutions that provide investment and banking services to the State. The Board is comprised of nine (9) members, including five (5) Delaware citizens appointed by the Governor. The remaining four (4) members are State government officials (the State Treasurer, the Secretary of Finance, the Secretary of State and the Controller General) who serve ex-officio.

The Board has two standing committees – an Investment Subcommittee and a Banking Subcommittee. The Banking Subcommittee has standing authority to address and make recommendations to the full Board with respect to banking services.

The Board meets at least four times a year. Each standing committee also meets at least four times a year.

The Board historically has approved the selection of all core banking service providers and has proposed guidelines governing State agencies collection and disbursements deposit accounts.<sup>1</sup>

### **B. The Office of the State Treasurer**

OST serves as the administrative arm of the Board and coordinates all meetings of the Board and its committees. OST also has primary responsibility for providing transaction and cash management services that ensure sound fiscal stewardship over the State’s financial assets, systems, and processes. OST is responsible for the design, implementation, management, and continuous improvement of the State’s banking structure. OST and manages the State’s relationships with all Board-approved banking partners.

### **C. Banking Services**

Banking services are provided to all branches of state government and local school districts through a coordinated effort between the Division of Operations and Fund Management (“OFM”) and the Division of Reconciliations & Transaction Management (“RTM”). The State’s Budget and Accounting Manual (the “BAM”) governs the opening of all checking accounts for the State. The BAM is available here: <https://budget.delaware.gov/accounting-manual/index.shtml>.

The RTM Division serves as the initial point of contact for all new checking account requests or signature account maintenance. Once submitted, OFM provides programmatic support by coordinating with the State’s contractual banking partners to implement services aligned with agency business needs. These

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<sup>1</sup> The guidelines are available here: [Cash Management Policy Board Guidelines](#).

services may include commercial online banking, ACH debit blocks, remote deposit capture, and other treasury solutions.

The goal of this comprehensive RFP is to engage vendors who will deliver high-performance banking services within the State’s financial framework and offer strategic insights in the following areas:

1. Innovation in treasury operations and adaptation to emerging technologies
2. Management of collection and disbursement accounts in alignment with the State’s liquidity strategy
3. A customer-focused approach to banking service delivery
4. Risk management and cybersecurity preparedness
5. Promotion of electronic payment methods over manual, fraud-prone alternatives
6. Other matters as may be referred by the State

Vendors will be expected to provide structured, data-driven reporting that measures efficiency and effectiveness, attend periodic meetings with the State, the Board and its committees and consultants, and deliver ancillary services consistent with the scope of work. These engagements should serve as strategic planning opportunities to enhance financial operations and service delivery to State agencies and taxpayers.

DOA will serve as a key stakeholder in this RFP. DOA plays a central role in overseeing financial reporting, transaction processing, internal controls, and statewide accounting and payroll systems. It also certifies transactions and coordinates related financial activities to support effective revenue and expenditure management.

#### **D. DOA and the PCard and SUA Program**

DOA has broad responsibilities within the State’s financial management structure, including financial reporting, account processing, establishment of internal control frameworks, and the development of policies that promote the efficient and effective management of state revenues and expenditures. DOA establishes and implements procedures and regulations related to the statewide accounting and payroll systems, processes the State’s accounting and payroll transactions, certifies the validity of those transactions, and coordinates accounting, payroll, and other financial matters across the State.

DOA also manages the State’s Purchasing Card (PCard) Program, which provides agencies with branded cards to support employee purchasing and travel needs. The current program structure involves a single card used for both purchasing and travel purposes. The PCard Program is designed to promote fiscal oversight and internal control. The Budget and Accounting Manual (BAM) outlines cardholder responsibilities and program policies and procedures. Cardholders are restricted to making purchases within designated Merchant Category Codes (MCCs) aligned with their job functions.

In addition, DOA oversees the State’s Virtual Card/Single Use Account (SUA) Program—a commercial card-based payment solution that issues a unique, single-use virtual card number for each vendor payment. These one-time-use card numbers are securely transmitted to vendors, who process them like traditional credit card transactions. The SUA Program enhances payment security, reduces fraud risk, and improves efficiency within accounts payable operations. It also generates rebate revenue for the State based on transaction volume, making it both a secure and cost-effective payment mechanism.

Detailed requirements for the Scope of Services requested pursuant to this RFP are set out in **Appendix A**. A brief description of each component is provided below.

**Component 1: General Banking:** will serve as the State’s “concentration” bank, handling collections and disbursements (both check and electronic). The concentration bank is preferred to have a branch presence in the State. The collection of cash is not a service included in this RFP. This component includes 33

accounts currently used by the OST and other State agencies but could potentially include additional State agency accounts.

**Component 2: Lockbox Processing Services:** includes physical lockbox processing for three separate agencies: the Division of Corporations, Division of Unemployment and the Pension Office. The State currently has four physical wholesale lockboxes and three electronic lockbox (“eLockbox”) used by the Division of Revenue, OST and Delaware Paid Family Leave (“DPFL”). The ability to increase efficiency utilizing scannable remittance items and online decisioning is highly desired for this component. The DPFL eLockbox is a newly implemented Service, so the volume is unknown at this time.

**Component 3: Purchasing/Virtual Card & ePayables:** encompasses the State’s \$87 million PCard Program and \$98 million SUA Program. DOA seeks to partner with a banking institution that can support efforts to increase overall program spend and expand the ePayables program. This includes enhancing the outsourcing of electronic payments such as ACH and virtual card transactions to improve efficiency and reduce manual processing. *Please note that DOA currently intends to continue offering a single card type but is interested in exploring the option of implementing a combined expense and travel card program. This could potentially allow for the issuance of two separate card types instead of one.*

**Component 4: Prepaid Debt Card:** this includes services currently used by the Division of Unemployment Insurance, the Division of Child Support Services, and the Department of Services for Children, Youth & Their Families to distribute benefits. The State aims to enhance these services and explore options to expand the card program or introduce other solutions that support payroll deposit functions.

**Component 5: Check Printing Services:** covers a service currently utilized by the State. At present, approximately 80% of the State’s check printing is outsourced. The State is seeking to evaluate the potential benefits of expanding this arrangement to further improve efficiency and reduce administrative burden. This component will be awarded to the Vendor selected for either **Component 1 or Component 3**. All checks must be printed and mailed from an East Coast processing center to ensure timely delivery and operational alignment.

The remaining 20% of checks—primarily payroll and vendor checks returned directly to OST—are not outsourced. Payroll check printing will continue to be managed internally and is excluded from this outsourcing evaluation.

Lastly, please be advised all Vendors must fully comply with all legal and regulatory obligations under State law, including the reporting of unclaimed property. Unclaimed property funds and securities must be remitted contemporaneously with the report of unclaimed property report (see 12 *Del. C.* § 1152). With respect to securities property, to comply fully, holders must 1) notify the State of intent to deliver securities via email in the specified format five days before filing their unclaimed property reports and transferring securities; 2) not report worthless securities; 3) liquidate and then report and remit the proceeds from non-transferable securities with value; 4) only report securities with nine-digit valid CUSIPS; 5) transfer shares only to the State’s securities account, not to “house” accounts; and 6) respond timely to all communications and follow-up requests by the State to resolve any issues.

### **Minimum Requirements to Apply**

Proposals that do not meet the following minimum requirements, or that do not comply with the specifications or material terms and conditions of this RFP, may be considered non-responsive and rejected. Vendors must clearly demonstrate in their proposals how they meet the following minimum qualifications:

1. Clearly demonstrates in the proposal how the Vendor meets the eligibility requirements set forth on page 14 of this RFP
2. Timely submits a proposal in accordance with the deadlines set forth in this RFP. The Vendor should have experience providing banking services to government entities.
3. Substantially complies with the submission requirements and other material terms and conditions of this RFP. Proposals that do not meet the foregoing requirements may be considered non-responsive and rejected.

The State does not wish to dissuade an otherwise qualified Vendor from submitting a proposal based on the foregoing minimum requirements if legitimate business reasons or industry practices mitigate or eliminate the need for any such requirement. **A Vendor who fails to meet a minimum requirement must explain in detail in its response the reason or reasons why the State should excuse non-compliance.** The State shall have discretion to accept or reject any such explanation and waive any minimum qualification requirement.

## **RFP Issuance and Submission of Proposals**

### **A. RFP Issuance**

#### **1. Public Notice**

Public notice has been provided in accordance with 29 *Del. C.* § 6981.

#### **2. Obtaining Copies of the RFP**

This RFP is available in electronic form only and as a courtesy, may be found at the following website:

<https://mmp.delaware.gov/Bids>

<https://treasurer-delaware.bonfirehub.com/projects>

<http://treasurer.delaware.gov/requests-proposals/>

<https://nast.org/state-careers-and-rfps/>

<https://mmp.delaware.gov/Bids>

#### **Assistance to Vendors with a Disability**

Vendors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Designated Contacts no later than ten days prior to the deadline for receipt of proposals.

#### **3. RFP Designated Contact**

All requests, questions, or other communications about this RFP shall be made in writing to the Designated Contacts. Communications must be submitted electronically to the following email address: [Treasury\\_RFP@delaware.gov](mailto:Treasury_RFP@delaware.gov).

#### **4. Vendors and Legal Counsel**

The State may retain professional services or legal counsel to assist in the review and evaluation of this RFP and the Vendors' responses. Vendors shall not contact the State's professionals or legal counsel on any matter related to the RFP unless so instructed in writing by the Designated

Contacts. Vendors who make contact in violation of this provision may be disqualified from participation in the RFP process. Exceptions exist only for Vendors currently doing business with the State who require contact with such professionals or legal counsel in the ordinary course of business.

## **5. Contact with Other State Employees**

Direct contact with State employees other than the Designated Contacts regarding this RFP is expressly prohibited without prior written consent from the primary Designated Contact. Vendors who directly contact a State employee in violation of this provision may be disqualified from participation in the RFP process. Exceptions exist only for Vendors currently doing business with the State who require contact with State employees in the ordinary course of business.

## **6. Organizations Ineligible to Bid**

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity currently debarred or suspended from conducting business in the State or any other jurisdiction for any reason may be deemed ineligible to respond to this RFP.

## **7. Exclusions**

The State reserves the right to refuse to consider any proposal from a Vendor who itself or its officers or staff:

- a) Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
- b) Has been convicted under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of integrity or honesty;
- c) Has been convicted or has had a civil judgment entered for a violation of any state or federal antitrust statute;
- d) Has failed:
  - i. Without good cause to perform under a consulting contract; or
  - ii. To perform satisfactorily in accordance with terms of any consulting contract;
- e) Has violated ethical standards set out in law or regulation; and
- f) Any other cause determined by OST or the Board to be serious and compelling, and which undermines confidence in the Contractor's ability to perform independently under any resulting consulting contract.

## **8. No Press Releases or Public Disclosure**

The State reserves the right to pre-approve any news or broadcast advertising releases concerning this RFP, the resulting contract, the work performed, or any reference to the State with regard to any project or contract performance. Any such news or advertising releases pertaining to this RFP or resulting contract shall require the prior express written permission of the State.

## **9. RFP Not an Offer**

This RFP does not constitute an offer by OST, the Board, DOA, or the State.

## **B. Submission of Proposals**

### **1. Proposal Content**

Each proposal must be submitted in writing and respond to the items outlined in this RFP. The State reserves the right to reject any non-responsive or non-conforming proposals.

The State discourages overly lengthy and costly proposals and prefers that they be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a fully responsive proposal are not desired.

Proposals must be realistic and must represent the best estimate of time, materials and other costs, including the impact of inflation and any economic or other factors that are reasonably predictable. The State shall have no responsibility or liability for a Vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

A Vendor should describe in detail on **Attachment 3** any areas where it will be unable to provide services as requested or required herein. In addition, if a Vendor is able to provide the services exactly as requested or required but believes that there would be benefits (such as cost savings or improved service) to making adjustments to the services outlined, the Vendor should describe the adjustments and the benefits on **Attachment 3**. Acceptance or rejection of any or all exceptions is within the State's sole discretion.

Vendor must respond to all mandatory requirements presented in this RFP. The words "shall," "will," and "must" are used herein to designate mandatory requirements. Failure to respond to a mandatory requirement may, in the State's discretion, result in the disqualification of a Vendor from the RFP process.

### **2. Proposal Delivery**

All proposals must be **received no later than 4:00 p.m., prevailing Eastern time, on August 8, 2025** (the "Proposal Deadline"). Responses received after the Proposal Deadline will not be considered. Vendors must upload their proposals to the State's portal prior to the Proposal Deadline and submit ten (10) paper copies so as to be received by the Proposal Deadline. One of the ten hard copy proposals must be placed in a spiral-bound book or three-ring binder.

The proposal package delivery address is:

**Client:** State of Delaware  
**Name:** Fiah M. Kwesseau  
**Title:** Director of Operations and Fund Management  
**Address:** 820 Silver Lake Boulevard, Suite 100  
**City/State:** Dover, DE  
**ZIP:** 19904  
**Email:** [Treasury\\_RFP@delaware.gov](mailto:Treasury_RFP@delaware.gov)

**Upload your proposal at:** <https://treasurer-delaware.bonfirehub.com/projects>

### **Important Notes:**

Logging in and/or uploading the file(s) does not mean the response is submitted. Vendors must successfully upload all the file(s) and must click the submit button before the proposal due date and time.

Vendors will receive an email confirmation receipt with a unique confirmation number once the submission has been finalized. This will confirm that the proposal has been submitted successfully.

Each submitted item of requested information will only become visible to the State after the proposal due date and time.

If the file is mandatory, you will not be able to complete your submission until the requirement is met.

Uploading large documents may take significant time depending on the size of the file(s) and your internet connection speed. The maximum upload file size is 1000 MB.

Minimum system requirements: Internet Explorer 11, Microsoft Edge, Google Chrome, or Mozilla Firefox (Windows & Mac). Java Script must be enabled.

Please contact Bonfire directly at [Support@GoBonfire.com](mailto:Support@GoBonfire.com) for technical questions or issues related to your submission.

Any proposal received after the Proposal Deadline shall not be considered.

**Vendors are directed to clearly print “PROPOSAL ENCLOSED” and “CONTRACT NO. TRE25101-BANKINGSVS” on the outside of the bid submission package.**

Any proposal received after the Proposal Deadline shall not be considered and shall be returned unopened. Vendor bear the risk of delays in delivery.

### **3. Proposal Modifications**

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Changes, amendments, or modifications to proposals shall not be accepted or considered after the Proposal Deadline.

### **4. Proposal Costs and Expenses**

The State is not responsible for and will not pay any costs incurred by any Vendor in responding to this RFP, including, but not limited to, costs associated with proposal preparation, printing, and delivery, the interview/presentation process and contract negotiations.

### **5. Late Proposals**

Proposals will be date and time stamped upon receipt. Proposals received after the Proposal Deadline will not be opened or considered.

### **6. Proposal Opening**

Proposals will be opened only in the presence of OST or DOA personnel. Any unopened proposals will be returned to the proposing firm. Staff will create a public log containing the names of all Vendors that submitted proposals and the dates and times of receipt of each proposal. Unless required by applicable law, the contents of any proposal shall not be disclosed prior to contract award.

## **7. Rejection of Individual Proposals**

Pursuant to 29 *Del. C.* § 6981(m), an individual proposal may be rejected if (a) the proposal is deemed non-responsive because it fails to meet the material requirements of this RFP, (b) the Vendor or the proposal is deemed not responsible under the factors listed in § 6981(n)(2), or if the proposal is deemed not advantageous to the State.

The State shall have the authority and discretion to determine whether an RFP requirement is material, or a mere formality or non-substantive requirement, whether a particular firm is responsible, and whether a proposal is advantageous to the State. If the State rejects an individual proposal, the determination shall be in writing and will set forth the basis for the determination. A copy of the determination shall be promptly sent to the proposing Vendor. The final determination shall be made part of the procurement file.

## **8. Confidentiality of Documents**

Subject to applicable law or the order of a court of competent jurisdiction to the contrary, all documents submitted as part of a Vendor's proposal will be treated as confidential during the evaluation process and will not be available for review by anyone other than OST, the Board, DOA, the Evaluation Team(s) and their counsel. There shall be no disclosure of any Vendor's information to a competing Vendor prior to award of the contract unless such disclosure is required by law or by order of a court of competent jurisdiction.

The State and its constituent organizations are required to comply with the State of Delaware Freedom of Information Act, 29 *Del. C.* § 10001, *et seq.* ("FOIA"). FOIA requires that the State's records are public records (unless otherwise declared by FOIA or other law to be exempt from disclosure) and are subject to inspection and copying by any person upon written request. Once a proposal is received by the State and a decision on a contract award is made, the content of selected and non-selected Vendor proposals will likely become subject to FOIA's public disclosure obligations.

The State wishes to create a business-friendly environment and procurement process. As such, the State respects that Vendors desire to protect intellectual property, trade secrets and other confidential business information (collectively referred to herein as "confidential business information"). If a Vendor feels that it cannot submit a proposal without including confidential business information, it must adhere to the following procedure or such proposal may be deemed unresponsive, may not be recommended for selection, and any applicable protection for the Vendor's confidential business information may be lost.

In order to allow the State to assess its ability to protect confidential business information, Vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

Vendors may submit portions of a proposal considered to be confidential business information in a separate, sealed envelope labeled "Confidential Business Information" and include the specific RFP number. The envelope must contain a letter from the submitting Vendor's legal counsel describing the information contained in the documents, representing in good faith that the information is protected from disclosure under FOIA, and briefly stating the reasons that such information is exempt under FOIA.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine whether the procedure described above has been followed. A Vendor's allegation as to its confidential business information shall not be binding on the State; rather, the

State shall independently determine the validity of any Vendor designation as set forth in this section. Any Vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, Vendors assume the risk that confidential business information included within a proposal may enter the public domain.

## **9. Sub-Contracting**

Subcontracting is not permitted without the State's prior written consent. Any Vendor that submits a proposal contemplating the use of independent contractors or a subcontractor shall identify the purpose for such use, as well as the scope of work and other terms for any such arrangement. All independent contractors and subcontractors must agree in writing to be bound by the terms of the Professional Service Agreement (the "PSA").

## **10. Discrepancies and Omissions**

Vendors are fully responsible for the completeness and accuracy of their proposals, and for examining this RFP and all attachments, exhibits and addenda. Failure to do so will be at the sole risk of Vendors. Should a Vendor find discrepancies, omissions, or unclear or ambiguous language in this RFP, Vendor should seek clarification pursuant to the question-and-answer process detailed below. Protests based on any discrepancies, omissions, or unclear or ambiguous language will be disallowed if the same have not been timely raised in and preserved through the question-and-answer process below.

## **11. RFP Question and Answer Process**

The State will allow written requests for clarification of the RFP. Vendors must submit written questions in the format specified below so as to be received by the Designated Contacts by 4:00 p.m., prevailing Eastern time, on **June 27, 2025**. Questions must be submitted electronically to the following email address: [Treasury\\_RFP@delaware.gov](mailto:Treasury_RFP@delaware.gov).

All questions will be consolidated and answered in a single response that will be posted on the State's websites at <https://mmp.delaware.gov/Bids> by **4:00 p.m., prevailing Eastern time, on July 18, 2025**, or such other date and time as may be prescribed by the State. Vendor names will not be attributed to questions in the State's response.

Questions should be submitted in a standalone Microsoft Word document in the following format:

Section number  
Paragraph number  
Page number  
Text (of passage being questioned)

Questions that deviate from this format may be rejected by the State, in its discretion.

## **12. State's Right to Reject Proposals**

The State reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be RFP specifications or contained in a Vendor's response), to assess the merits and qualifications of each proposal and Vendor, to solicit new or modified proposals on the same project, as the State may deem necessary or appropriate or in the best interest of the State.

### **13. State's Right to Cancel Solicitation**

The State reserves the right to cancel this solicitation at any time during the procurement process, for any reason, or for no reason at all. The State makes no commitments, expressed or implied, that this process will result in a contract with any Vendor.

A Vendor's participation in this RFP process may result in the State selecting the Vendor to engage in discussions and negotiations of a formal contract. The commencement of such negotiations does not signify, and may not be interpreted as, a commitment by the State to execute a contract or continue negotiations. The State may terminate negotiations at any time and for any reason, or for no reason at all.

### **14. State's Right to Award Multiple Source Contracting**

Pursuant to 29 *Del. C.* § 6986, the State may award multiple contracts to two or more Vendors if the State makes a determination that such action is necessary or appropriate or in the best interest of the State.

### **15. Notification of Withdrawal of Proposal**

Vendor may modify or withdraw its proposal by written request, provided that both the proposal and subsequent request is received by the Designated Contacts prior to the Proposal Deadline. A withdrawn proposal may be revised and re-submitted and will be considered timely as long as the revised proposal is received by the Proposal Deadline.

All proposals received prior to, and which have not been withdrawn by, the Proposal Deadline shall become firm offers and shall not be revocable after that time.

### **16. Revisions to the RFP**

If it becomes necessary to revise any part of the RFP, an addendum will be posted at <https://mmp.delaware.gov/Bids>.

### **17. Exceptions to the RFP**

Any exceptions to the RFP or any attachments, exhibits or addenda, along with corresponding explanations and alternatives, must be noted and explained on **Attachment 3** and submitted with a proposal by the Proposal Deadline. Vendors that fail to timely and otherwise adequately preserve and assert exceptions shall be deemed to have waived all such exceptions and related arguments. The State has discretion with respect to the acceptance or rejection of exceptions.

### **18. Exceptions to the PSA**

Attached hereto as **Appendix B** is the State's standard form of PSA and related exhibits. The terms of the PSA will govern the contractual relationship between a Vendor and the State. Any exceptions to the PSA, along with corresponding explanations and alternatives, must be noted and explained on **Attachment 3**. Vendors shall provide a redlined version of the PSA ("Redline") reflecting all requested changes. Vendors that fail to timely and otherwise adequately preserve and assert exceptions to the PSA shall be deemed to have waived all such exceptions and related arguments. The State has discretion with respect to the acceptance or rejection of PSA exceptions.

## 19. Award of Contract

The issuance of a contract award (“Award”) is subject to approval by OST and the Board, provided that the issuance of an Award for Component 3 (PCard, SUA and ePayables) shall be subject to approval by DOA. The State has the sole right to select the successful Vendors and approve the issuance of any Award and the terms of any PSA. The State may (a) approve the issuance of an Award to a Vendor other than the Vendor who submitted the lowest priced proposal, (b) issue multiple Awards, or (c) withdraw the RFP and issue no Award. No Award or contract resulting from this RFP process shall be effective unless and until authorized by OST and the Board or DOA, as applicable.

An Award, if any, will be communicated to the successful Vendor and published only after (a) the State authorizes the issuance of an Award, and (b) the State and each such Vendor execute a formal PSA on terms acceptable to the State. No Vendor will acquire any legal or equitable rights or privileges until the occurrence of both events.

The Award, the PSA and all attachments and exhibits, including all pricing information, and amounts and other details concerning any payments made to a successful Vendor shall be matters of public record subject to disclosure under FOIA.

### Proposal Requirements and Evaluation

#### A. Required Information

1. Vendors shall provide the following information with their proposals in the order listed below. Failure to respond to any request for information within this RFP may result in rejection of the proposal. The proposal will be presented in a spiral-bound book or 3-ring binder, with each completed attachment identified in its own tab.

Tab A: Transmittal Letter. The letter must contain:

- Certification that the Vendor satisfies the minimum qualifications set forth on page 14.
- A summary of the Vendor’s banking services experience, and interest in providing these services to the State.
- A clear statement as to which components the Vendor is proposing.
- A statement indicating whether the proposal contains confidential business information that is being submitted in a separate, electronic file in accordance with the procedure above and below; and
- A representation that no banking services related to this RFP will take place outside of the United States.

Tab B: Questionnaire(s). Provide a detailed set of responses to the questions posed in **Attachment 1**. All Vendors must respond to **Attachment 1**. Responses should be both complete and concise.

Tab C: Confidential Information Form. Vendors should identify any material information that is considered confidential using the form of **Attachment 2**. Any information not within this form is automatically subject to FOIA.

Tab D: Exception Form. Provide a detailed listing of any exceptions to the RFP, including all attachments and appendices, including the PSA and its exhibits, using the form included as **Attachment 3**. Successful Vendors who do not take exceptions as required are deemed to have consented and irrevocably agreed to the terms of the RFP.

Tab E: Business References. Provide at least three business references using the form provided in **Attachment 4**.

Tab F: Requirements Matrix. Complete and return the attached Requirements Matrix in **Attachment 5**.

Tab G: Retention Policies. Vendors responding to this RFP must attach copies of their retention policies and documents or substantive summaries of the same.

Tab H: Business Continuity and Disaster Recovery Plans. Vendors responding to this RFP must attach summaries or copies of their business continuity and disaster recovery plans.

## 2. **Furnishment of Proof**

Prior to Award, the successful Vendor shall furnish the State with proof of (i) all necessary business licenses, including a valid State business license, (ii) certification(s) necessary to perform services identified herein, and (iii) proof of insurance required under the PSA attached hereto as **Appendix B**.

## **B. Proposal Evaluation**

### **1. Initial Screening**

The Designated Contacts and/or designated OST or DOA staff shall perform an initial screening of all proposals submitted by qualified Vendors and evaluate them for timeliness and compliance with the minimum qualifications and other requirements set forth herein. The initial screening shall include written determination of each proposal's responsiveness under 29 *Del. C.* § 6981(n)(1). The State shall have discretion with respect to any such determination. Proposals that pass the initial screening shall be forwarded to the Evaluation Team(s) (as defined below) for scoring and evaluation as provided herein.

### **2. The Evaluation Team**

One or more evaluation teams (each an "Evaluation Team") composed of representatives from OST, the Board, DOA and other State entities will evaluate qualified Vendor proposals meeting all RFP requirements based on the quantitative and qualitative criteria set forth below. Neither the lowest price nor highest scoring proposal will necessarily be selected. The State may in its discretion remove or add members of an Evaluation Team.

### **3. Evaluation Criteria**

Vendors must review the evaluation criteria below and provide responses that address the criteria. The Evaluation Team(s) will not be able to make assumptions about the Vendors capabilities; therefore, responses should be detailed and concise within the proposal.

The State has outlined the services it will require in the Scope of Services above and **Appendix A**. In formulating responses, Vendors are encouraged to suggest additional or modified services in their proposals if such additional or modified services will provide a benefit to the State.

Proposals that are responsive and otherwise meet submission requirements of the RFP will be evaluated and scored based on the criteria and points system set forth in the table below. The results of scoring shall be documented by each member of an Evaluation Team.

<b>Evaluation Criteria</b>	<b>Point Value</b>
<b>Operational &amp; Technical Requirements</b>	<b>45</b>
<b>Operational Requirements</b> <ul style="list-style-type: none"> <li>✓ Ability to fulfill requirements of Scope of Services</li> <li>✓ Ability to leverage industry/product innovation to meet requirements</li> <li>✓ Online reporting, reconciliation, and invoicing capabilities</li> </ul>	30
<b>Technical Requirements</b> <ul style="list-style-type: none"> <li>✓ Data storage and data security capabilities</li> <li>✓ Ability to fulfill file transmission requirements</li> <li>✓ Ability to meet DTI's security guidelines and requirements</li> <li>✓ Overall technical infrastructure and expertise of personnel</li> </ul>	15
<b>Implementation &amp; Qualifications</b>	<b>30</b>
<b>Implementation Plan</b> <ul style="list-style-type: none"> <li>✓ Quality and scope of implementation plan</li> <li>✓ Experience, resources, and qualifications of implementation team</li> <li>✓ Efficiencies and opportunities identified</li> </ul>	15
<b>Overall Experience, Qualifications, and Customer Service</b> <ul style="list-style-type: none"> <li>✓ Relevant experience managing similar account relationships; references</li> <li>✓ Relationship management approach (experience, resources, qualifications)</li> <li>✓ Financial strength of institution, adequacy of controls, insurance, etc.</li> </ul>	15
<b>Pricing</b> <ul style="list-style-type: none"> <li>✓ Overall pricing structure</li> <li>✓ Rate schedules</li> <li>✓ Discount schedule</li> </ul>	25
<b>TOTAL POINTS</b>	<b>100</b>
<b>*Compliance with RFP submission requirements</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No

#### 4. Proposal Clarification

Prior to scoring, an Evaluation Teams may communicate with a Vendor in order to clarify uncertainties or gain better understanding of a proposal. The Evaluation Team may require or permit Vendors to modify or supplement their proposals as a result of such communication. Vendors must provide all requested information in a timely manner, which shall mean on or before any deadline established by the Evaluation Team.

#### 5. Communication with References and Past or Present Clients

The Evaluation Team may communicate with all references provided by a Vendor on **Attachment 4** and may use information gained thereby in the evaluation process. In addition, the Evaluation Team may communicate with any known past or present client of a Vendor outside of the reference list, and any information gained may be used in the evaluation process. Vendors that submit a proposal in response to this RFP shall be deemed to have (a) waived any confidentially or other restrictions that may limit in any way a reference or client's ability to convey information relevant to the evaluation process and (b) to all such communications with references or clients.

## 6. Oral Presentations

An Evaluation Team, after initial scoring and consultation with OST, the Board and/or DOA, may invite selected Vendors to make virtual or in-person oral presentations. Presentations are tentatively scheduled for the week of **September 2<sup>nd</sup> and September 8<sup>th</sup>**. *Any costs associated with oral presentations will be borne by the Vendor.* The State requests that all individuals who are expected to be assigned to this engagement be in attendance.

An Evaluation Team may revise scoring based on information received during oral presentations. The reasons for and results of any such re-scoring shall be documented in writing and made part of the procurement file.

## 7. On-site Visits

An Evaluation Team may make site visits to key Vendor processing and/or administrative facilities as part of the evaluation process. *Any costs associated with site visits will be borne by the State.* Vendors that submit a proposal in response to this RFP shall be deemed to have consented to any such site visit.

## Contract Process

### A. Formal Contract

The Vendor that is selected as the finalist and invited via written notification from OST or DOA (the “Invitations”) to enter into negotiations will be expected to enter into a formal contract with OST or, in the case of PCard services, DOA, in the form of the PSA attached here to as **Appendix B** (the “Contract”). Vendor’s attempt to negotiate pricing or other material Contract terms that were not disclosed and detailed in the Vendor’s response may result in the termination of negotiations with, and/or the disqualification of, such Vendor.

The State may require the Vendor with whom the agency is negotiating to execute a truth-in-negotiation certificate stating that the rates and other costs supporting the compensation are accurate, complete and current at the time of contracting. Pursuant to 29 *Del. C.* § 6982(b)(3), the Contract must provide that the original Contract price and any additions thereto shall be adjusted to exclude significant sums where OST determines that the contract price was increased due to inaccurate, incomplete or noncurrent rates or costs. All such Contract adjustments shall be made within 1 year following the end of the Contract.

### A. Modification of PSA

The State, in its discretion, may consider and accept proposed modifications or additions to the PSA, whether or not raised in an exception.

### B. Time Frame

A Vendor who receives an Invitation must execute a Contract within sixty (60) business days from the date of the Invitation, unless such period is extended by the State, in its discretion. If no Contract has been executed by the applicable deadline, the State may in its discretion cancel the Invitation and enter negotiations with another Vendor.

### C. Inception of Services

Absent the State's prior written request or approval, no Vendor is to begin providing services prior to the issuance of an Award.

#### **D. Cancellation of Award**

If a Vendor that receives an Award fails to commence providing consulting services when due under the Contract, the State, without liability, may cancel and annul the Award and terminate any Contract. In such event, an Award under this RFP may be made to another Vendor.

#### **E. Collusion or Fraud**

Vendors may not restrain competition by agreement to offer a fixed price, or otherwise. By responding to this RFP, each Vendor shall be deemed to have represented and warranted that: (i) its proposal is not made in connection with any competing Vendor submitting a separate response to this RFP; (ii) its approval is in all respects fair and without collusion or fraud; (iii) the Vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and (iv) no employee or official of the State participated directly or indirectly in the Vendor's proposal preparation.

If at any time, whether prior to or after the issuance of an Award, the State determines that any of the foregoing representations was untrue when made or subsequently became untrue, the State may, without liability, cancel and annul the Award and terminate any Contract. In such event, an Award under this RFP may be made to another Vendor.

#### **F. Lobbying and Gratuities and Contingency Fees**

As required by 29 *Del. C.* § 6903(b), the successful Vendor is deemed to have sworn under oath that the Vendor has not employed or retained any company or person to solicit or secure a Contract by improperly influencing the State in this procurement process. In addition, the Vendor represents and warrants that it has not directly or indirectly paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working primarily for Vendor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from an Award or Contract.

For breach or violation of the foregoing oath, representation or warranty, the State, in its discretion and without liability, shall have the right to cancel and annul any Award and terminate any Contract, or deduct from the Contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

#### **B. Solicitation of State Employees**

During the RFP process and for the term of the Contract, Vendor shall not, directly or indirectly, solicit any employee of the State to leave OST's employ in order to accept employment with the Vendor, its affiliates, or any person acting in concert with Vendor, without prior written approval of the State.

#### **C. Attachments and Appendices**

The following items are provided for use in your response. Attachments are required forms to be submitted with your proposal as described in this RFP. Appendices are provided as additional detail or information to assist in your proposal response.

**1. Attachments**

<u>Attachment 1</u>	Vendor Questionnaire
<u>Attachment 2</u>	Confidential Information Form
<u>Attachment 3</u>	Exception Form
<u>Attachment 4</u>	Business References
<u>Attachment 5</u>	Requirements Matrix (Attached excel file)
<u>Attachment 6</u>	Schedule of Fees (Attached excel file)

**2. Appendices**

Appendix A	Scope of Services
Appendix B	Form of Professional Services Agreement
Appendix C	Cash Management Policy Board Investment Guidelines
Appendix D	File Transfer Details
Appendix E	Payroll/Pension Direct Deposit Requirements
Appendix F	Purchasing/Virtual Card File Definitions
Appendix G	Vendor Payment File (attached excel file)
Appendix H	Unemployment Lockbox File Specifications (attached excel file)
Appendix I	Lockbox Remittance Examples (attached pdf file)

**Attachment 1: Vendor Questionnaire**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

All vendors are required to respond to the entire Vendor Questionnaire Attachment 1 in full. This includes providing complete answers to the general questions as well as all component-specific questions for each of the following service areas:

- General Banking Services
- Lockbox Processing Services
- Purchasing/Virtual Card & ePayables
- Prepaid Debit Card Services
- Check Printing Services

Failure to address all applicable sections may result in the proposal being deemed non-compliant.

**A. Vendor Background & General Information**

1. Provide the following background of your organization—
  - Legal name of entity
  - Legal structure of entity (corp., LLC, LP, etc.)
  - Company’s address
  - Year Founded
  - Number of employees
  - Parent company (or equivalent) or controlling stakeholder
  - State of incorporation or formation
  
2. Provide a brief history of your organization, including your company’s primary business focus, inclusive of acquisitions or mergers, how long you have been providing business banking including treasury management services and your experience providing such services to governmental and municipal entities.
  
3. Describe your company’s experience providing similar services for government entities, specifically states comparable to Delaware. Provide professional biographies of key employees that would be assigned to this engagement, as well as any relevant training and certifications they possess. Provide list of comparable government or public sector clients, including a description of services provided. i.e. General Banking, Lockbox, PCard, etc.
  
4. Complete the following table with current credit ratings by Standard & Poor’s Rating Services and Moody’s Investor Services. If your company is not rated by these organizations, provide evidence of your company’s financial strength.

	<b>Standard &amp; Poor’s Rating</b>	<b>Moody’s Investor Services</b>
<b>Company / Bank</b>		
<b>Short-Term Unsecured Senior Debt</b>		
<b>Long-Term Unsecured Senior Debt</b>		
<b>Bank Holding Company</b>		
<b>Short-Term Unsecured Senior Debt</b>		

<b>Long-Term Unsecured Senior Debt</b>		
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5. Discuss the company’s current capital structure, adequacy and coverage. Provide the following statistics for the last reporting period.
  1. Total Risk Based Capital Ratio: \_\_\_\_\_
  2. Tier 1 Risk Based Capital Ratio: \_\_\_\_\_
  3. Tier 1 Leverage Capital Ratio: \_\_\_\_\_
6. Include an *electronic copy* of the most recent Federal Deposit Insurance Corporation (“FDIC”) call report.
7. Describe your Company’s participation in the community reinvestment program, including your current national and state Community Reinvestment Act (“CRA”) rating. Describe how the Firm sees its role in economic development and explain how you can collaborate with OST in fulfilling its mission of fostering economic development within the State.
8. How many bank branches does your company have in the State of Delaware? Please provide a comprehensive list of branch locations.
9. Please indicate whether your institution is a Sheltered Harbor participant. If so, describe the scope of your compliance and how it supports business continuity and data recovery in the event of a cyber disruption?

**B. Key Proposed Personnel**

1. Provide the name, title, address, phone number, and email address of the primary contact person(s) assigned to this account for each component.

<b>Component</b>	<b>Relationship Manager / Product Specialist</b>	<b>Routine (Day-to-Day) Requests</b>
1: General Banking		
2: Lockbox Services		
3: Purchasing/Virtual Card & ePayables		
4: Pre-Paid Debit Card		
5: Check Printing Services		

2. After the initial transition, how often will the primary relationship manager attend on-site meetings with State staff (at minimum quarterly meetings are required virtually with one annual in-person)? Describe a typical meeting agenda for this on-site meeting.
3. Describe the company’s process on changing the primary contact person on an account at your discretion.
4. Will Vendor provide a dedicated IT liaison to work on set-up, file transfer, testing and troubleshooting/issue resolution? During what hours is technical support available (specify time zones)?

### C. Implementation and Onboarding

1. Please provide a detailed implementation plan outlining the proposed timeline, key milestones, and approach for transitioning banking services to your institution. Include the following in your response:
  - Account transition checklist and sample project plan
  - Description of onboarding support and training for agency personnel
  - Roles and responsibilities of assigned implementation team members (e.g., project manager, technical support, subject matter experts)
  - Experience supporting clients during transitions involving changes to their internal accounting or ERP systems
2. The State currently uses the First State Financial (“FSF”) system, which is undergoing a transition to a new cloud-based solution. Describe your institution’s ability to support banking service integration during this transition. Include in your response:
  - Past experience integrating with cloud-based ERP or financial systems during system transitions
  - Flexibility in adapting implementation plans to align with evolving system requirements
  - Support provided for interface testing, data mapping, and timing coordination with parallel processing environments

### D. Control

1. Describe the company’s security environment. Specifically cover the physical and digital security and software safeguards that the Vendor has put in place to control access to funds transfer systems and client account information.
2. Describe the vendor’s security procedures for its information reporting system, both for access and information protection (e.g. RSA tokens, secure certification, etc.).
3. Describe the backup and recovery capabilities in the event the proposed systems are unavailable. Who would the State contact to initiate day-to day transactions if online capabilities and functionality are temporarily unavailable?
4. Discuss the bank’s security environment related to cybersecurity. Specifically describe the cyber risks to which the proposed services may be exposed and explain the Vendor’s approach and response to protection against these risks. What are the Vendor crisis communications plans in the event of a cyber-attack?
5. Has the Vendor ever had to respond to a data breach? If so, please describe the breach and what the Vendor’s response was.
6. Describe the encryption capabilities that are supported by the Vendor for the transmission of data between the Vendor and the State. Describe the file verification capabilities that are supported by the Vendor, such as checksum or hash totals to ensure that no data is misfield or substituted.
7. Describe the process and procedures for providing notification of technology changes, such as file content / structure, and new / modified data availability reporting changes to the State.
8. List the types and amounts of insurance and bonding carried. Provide copies of the insurance certificates. Insurance requirements can be found in the STCs **Section 10 of Appendix B**.
9. Does the Firm maintain cyber liability insurance? If so, list the types and amount/limits carried.

10. Describe the bank's procedures for complying with the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") regulations. When was the last time an independent test of the bank's OFAC program was conducted by internal audit, outside auditors, consultants, or other qualified independent party?
11. Include a copy of the bank's most recent reports issued in accordance with the Statement on Standards for Attestation Engagements ("SSAE") No. 16 (formerly known as the Statement of Auditing Standards-70 ("SAS70")) for any processes or systems relevant to the services proposed by the Firm under this RFP. *(Note: Failure to provide this information will significantly impair the State's ability to assess the Company's controls and will negatively affect the evaluation of the proposal.)*

#### **E. Information Technology**

1. All services, products and deliverables provided by the Firm must comply with State standards promulgated by DTI, inclusive of Terms and Conditions for Cloud and Offsite Hosting, published at <https://dti.delaware.gov>.

#### **F. Pricing Proposal**

Please complete the Schedule of Fees which is **Attachment 6** for the services described in **Appendix A** for the initial contract period and any extension periods. Is the company willing to offer any transition or retention incentives?

**Attachment 1: General Banking Questionnaire**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

**Key Personnel & Customer Service**

1. Key Personnel

Provide biographical information for individuals who will work regularly with the State. Please include the following details for each individual:

- Proposed role for the OST account
- Biographical summary
- Office location
- Experience with government entities
- Total years of relevant experience
- Tenure with the Firm
- Number of accounts currently managed

2. Organizational Chart

Include an organizational chart showing the key personnel listed above.

3. Customer Service

- For day-to-day transactions, will a specific customer service representative be assigned, or will the State interact with a customer service department? Provide biographical details for any dedicated representative(s).
- Describe the responsibilities of customer service personnel, including the escalation path for issue resolution.
- State the hours of operation for customer service.
- Outline the after-hours support available to State employees.

4. Account Structure

- Discuss how the Firm would approach setting up a new account structure for the State. (***Note: The State would be interested in consolidating the number of accounts and is looking for potential suggestions from the Firm.***)
- For the Firm's other state clients, how many accounts are typically used to facilitate the operations of the Treasurer's office and agencies?
- What resources is the Firm willing to provide to assist the State in re-evaluating their current account structure and making formal recommendations?
- If the State were to change the existing account structure, how would this affect the time required for implementation?
- In the Firm's experience, is there a benefit to separating check disbursement activity from other bank activity? (***Note: The State is concerned that accounts with check disbursement activity may be recommended to close due to fraud, despite positive pay being used on the account.***)

## 2. Deposit Reconciliation Services

- What are the specifications for unique deposit identifiers (e.g., digit length, numeric format)?
- Are daily deposit totals reported separately by location?
- Is the location code included in all standard reports? If not, indicate how the information will be provided (e.g., customized reports, data files).

## 3. Remote Deposit Capture (“RDC”)

- Describe your RDC capabilities.
- Can RDC be integrated with deposit reconciliation services?
- How do users select destination accounts for RDC deposits? Is location ID visible?
- Explain how one RDC terminal can deposit into multiple accounts.
- How are RDC permissions managed (by location ID or account)?
- Can the bank directly communicate with end-users about deposit issues?
- Can access be restricted so users only view returned items for their own location?
- Is there a limit on the number of checks per deposit? What’s your recommended limit?
- What is the maximum dollar amount per check for RDC deposits?
- Does your solution use MICR, OCR, or ICR? Does it read both legal and courtesy amounts?
- Are checks endorsed electronically or physically?
- Describe the process for balancing and correcting deposits before transmission.
- Can multiple batches be scanned and submitted as a single deposit?
- Are batches submitted by different users processed separately or consolidated?
- How long are electronic check images retained?
- What fields are searchable when reviewing RDC deposits?
- How is the State notified of RDC deposit corrections or adjustments?
- Recommend RDC equipment. Include processing capacity details.
- What is the document destruction policy? Can the State use a third-party vendor?
- What is the ledger cutoff time for RDC deposits?

## 4. Image Cash Letter (ICL)

- Describe the Firm’s ability to process checks by Image Cash Letter Processing (“ICL”).

- Is there a limit on the number of checks that can be contained in a single deposit? How many checks would the Firm recommend be processed in a single deposit?
- Is there a maximum dollar amount (per check) that can be processed through ICL?
- How will the State be notified of deposit corrections and/or adjustments for ICL items?
- What is the document destruction policy for scanned checks? Does the OST have to destroy the documents or can the State contract with a third-party vendor to destroy the documents?
- What is the ledger cutoff time for deposits for items processed by RDC?
- Can the Firm process the State's current ICL X9.100-187 file?

#### 5. ATM Deposits

- Would the Firm be willing to install ATMs in State-owned buildings at no cost to the State or respective agencies?
- Can OST make deposits into the Firm's ATMs? Please describe the process and any limitations.
- What other functionality or services are available to the State through the ATMs? What is the associated cost?

#### 6. Smart Safes

- Does the Firm offer smart safes? If not, are you able to partner with an armored car courier to offer the technology? If you partner with multiple armored car companies, which companies do you work with in the State's footprint?
- Describe the smart safe options and technology available, including information about the available safe sizes.
- When depositing funds to a smart safe, are currency deposits credited to the State's bank account on a same day basis?
- Can the smart safe handle deposits of both coin and currency?
- Can the smart safe "make change"? If so, can both coin and currency be dispensed?
- What fees or costs would be charged by your Firm when using a smart safe for currency deposits? Can these smart safes be leased from the bank, or must they be leased from an armored car provider?

#### 7. Returned Item Processing

- Can returned items be automatically redeposited?
- Does the Firm offer Represented Check Entries ("RCE") services?
- Can the Firm provide online access to electronic images (front and back) of returned items to the State? How soon after an item is returned can these images be accessed?
- Can the Firm provide a detailed return item transmission to the State? Can this report identify the payer's name, depositing location, deposit date, and type of item being returned?

## 8. Availability of Deposits

- How does the Firm determine and calculate availability of deposited items? Does the Firm calculate availability by item or formula?
- Does the Firm give immediate availability for on-us items?
- Provide a copy of the availability schedules the Firm proposes to use for the State, including branch deposit, vault, and RDC.

## 9. Check Disbursements / Positive Pay

- Does the Firm offer payee positive pay?
- How will OST be notified of exception items? Can an e-mail notification be sent to specific users alerting them that there is an exception item to review?
- At what time will the State receive the information on exception items? How much time will the State have to review discrepancies and notify the Firm to accept or reject?
- If the State is unable to provide a “pay” or “no pay” decision before the deadline, what happens? Does the Firm offer a “do not pay” default?
- What are the options for transmitting check issuance information to the Firm for positive pay services?
- Does the Firm offer the ability to manually enter one-time check disbursements issued during the day outside of the regular batch file? How quickly will the teller line receive this information?
- How quickly will transmission files of additional checks and/or recently voided items be available across the Firm’s platform (including branch tellers)? Is there a limit to the number of files per day?
- Does the Firm confirm receipt of transmission files? If so, what options are available for the State to receive confirmation?
- How is payee information captured from the physical checks? What steps does the Firm take to prevent exception items being flagged due to erroneous capture of payee information?
- How are stale-dated checks identified? (i.e. are these checks automatically removed from the issue file after a set number of days or does the State need to send a file removing the checks from the issue file?)
- If a stale-dated check is presented, will it be reported to the State as an (i) exception item because of the date being greater than 180 days, (ii) exception item because of a State initiated a void on file for the issued check, or (iii) automatically returned?
- If a disbursement check is deposited by the payee using mobile technology and he/she accidentally attempts to deposit the item a second time, will your Firm's positive pay service identify this item as an exception or will it be automatically returned as a duplicate item? How does this item appear in the State’s daily reports?
- Will the Firm cash checks issued by the State presented by a non-account holder at no cost to either the State or the payee?
- If so, is a check cashing agreement required?

- If not, what is the fee for the State and/or the payee?

#### 10. International Disbursements

- What recommendation(s) does your Firm have to improve the State’s process of issuing checks to individuals now living outside of the U.S.?
- Does your Firm offer the ability to initiate International ACH Transactions (“IAT”)? Describe the differences in the process and procedures for initiating an IAT versus a domestic ACH transaction, if any.
- Are there any restrictions on IATs that the State should be aware of?
- Describe the Firm’s procedures to comply with the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) regulations.
- Describe the process of requesting foreign currency denominated paper bank drafts.

#### 11. Controlled Disbursement

- Does the Firm offer controlled disbursement services?
- At what time will the State be notified of presentment items? Specify 1<sup>st</sup> and 2<sup>nd</sup> presentment times.
- What is the average percentage of the final presentment available at the 1<sup>st</sup> presentment time?
- Is automatic funding of the controlled disbursement account from a main account possible?

#### 12. Stop Payments

- What initial term options are available for stop payments?
- Are stop payment requests effective immediately? If not, how long does it take for a stop payment request to become effective?
- Will the system automatically verify if a check has been paid before processing the stop payment?
- Is there a report that lists stop payments that are set to expire?
- Can stop payments be automatically renewed? If so, for how long?
- If using positive pay, can a cancel be placed on an outstanding check in lieu of a stop payment?

#### 13. ACH Processing

- Please provide a comprehensive discussion on the various methods for initiating ACH origination transactions (i.e. direct entry, upload to the online platform, secure file transmission, other etc.) For each method, please discuss:
  - The transmission protocols supported
  - The encryption method that is supported or required
- If a transmission mailbox is used, what restrictions are in place (can an agency send and receive via the same mailbox, are discrete mailboxes needed to support particular sub-services (e.g. ACH Origination, Returned ACH, and Received ACHs))

- Can multiple Company IDs use the same mailbox for file transmissions?
- Are control totals required to be submitted for an ACH batch? How are ACH control totals communicated to the bank (i.e. phone, online, email)?
- Does the bank provide automatic file receipt acknowledgements? If so, how is the acknowledgement transmitted?
- What controls (i.e. dual authorization) are available to separate payment initiator and payment approver roles? Are payment initiators and payment approvers required to use a security token to authorize ACH transactions?
- Are templates used/required for direct entry of transactions?
- When does the Firm need the file from the State for payments to be made on a same-day, next-day and 2-day settlement? Please complete the following table:

	Same-Day (to a different financial institution)	Next-Day	2-Day
Deadline for File Transmission			

- Which network does your Firm process ACH transactions through – NACHA or the Federal Reserve’s Automated Clearing House?
- How frequently does your Firm send ACH transactions to NACHA or the Federal Reserve’s Automated Clearing House? If there is a set-schedule, what times do you transmit?
- Discuss the Firm’s methodology for determining debit and credit exposure limits. Confirm that your Firm is willing to commit to an ACH exposure limit inclusive of all of the State’s payment requirements.
- What would happen to a file if OST exceeded its daily exposure limit?
- Does the Firm accept both debits and credits on the same file? If so, discuss any additional requirements.
- Can transactions be added online for future processing dates? What is the Firm’s maximum retention for future dated transactions?
- Does your Firm offer Same Day ACH transaction capability? If so, describe the process for initiating transactions and any limitations on the use of Same Day ACHs.
- How are returned and rejected ACH transactions handled? What information does the Firm provide to assist in identifying returned and rejected ACH transactions? When is this information available?
- If an individual ACH transaction within a file is rejected, will the entire file be rejected and not processed? How will the individual rejected ACH transactions be communicated?
- Is pricing different if ACH transactions initiated from a standard NACHA file is transmitted via your Firm’s online reporting system or through a secure FTP process?

- For outgoing ACH transmissions, what options are available in transmitting addenda information (i.e. CCD, CCD+ and CTX)? Are there any special processing requirements or can this information be added to the NACHA file? Are there any additional costs associated with sending addenda information?
- Can the Firm meet all of the pension and payroll direct deposit requirements listed in **Appendix E**?

#### 14. Incoming Electronic Transfers

- Describe any solutions your Firm offers to help identify and differentiate incoming electronic transfers, similar to Universal Payment Identification Codes (“UPICs”). If your solution does not rely on UPICs, please explain the features and the benefits of your Firm’s solution.
- If an alternative solution is recommended above, is your Firm still able to offer UPICs as a solution?
- How can OST gain access to addenda information (i.e. CCD, CCD+ and CTX) for incoming ACH transactions?
- Can this information be viewed online with current and previous day reporting, or does the State need to download special EDI reports?
- Are reports available in human readable formats?
- How are the charges assessed for receiving addenda information (by number of characters, number of lines, transaction)?
- How will the Firm assist the OST in ensuring payers send ACH transactions to the new banking information?

#### 15. Fraud Protection & Controls

- What controls are in place to protect against lost files, duplicate transmissions and ACH file edits?
- Describe the Firm’s ability to block unauthorized ACH debits received. If the Firm provides ACH debit filtering, what level of filtering can be applied (originator, originator & dollar amount, etc.)?
- With ACH debit blocking, does the Firm notify the State of attempts to debit funds that have been automatically rejected?
- Does the Firm offer ACH positive pay (ability to make pay / no pay decisions on unidentified transactions)?
- Can accounts be designated “post no checks” to prevent any check from clearing?
- If your Firm does not offer this service, who is liable if a fraudulent check is presented, and the account is not set up with positive pay?

#### 16. Wire Processing

- Discuss the process the State must use to set up repetitive wire transfers with the Firm, including communication methods (e.g., written request, fax, PC, Internet).

- Please fill in the following table with the cutoff time for an Outgoing Domestic Fedwire by origination method.

	Online	Phone
Outgoing Domestic Fedwire		

- If wire transfers can be initiated online, describe the system’s security features. Can varying degrees of authorization be set (i.e. multiple authorizers, maximum dollar amounts, etc.)?
- During what hours is the Firm’s wire transfer system available? When is the customer service staff supporting the wire transfer system available?
- Once the Firm is in receipt of instructions, how long does it take the Firm to send the wire?

17. Digital Payments

- Does the Firm offer a digital payments solution, where payments can be made to an e-mail address or phone number?
- Describe how payments made to individuals are initiated. What information needs to be entered? Please provide a screen shot of this functionality from the online platform.
- Is dual authorization for digital payments required?
- Can a dollar threshold for individual digital payments be imposed?
- Are the credentials for an individual to initiate digital disbursement a separate functionality within the Firm’s online reporting system or is it combined with other transactional capability (i.e. ACH permissions)?
- How long does it take the recipient to receive confirmation that they have received funds post transmission?
- Does the recipient have to “claim” funds or is automatically “pushed” to the individual’s bank account?
- What happens to funds that are not claimed or an e-mail address or phone number that is not already linked to a bank account?
- How many days does recipient have to claim this payment? What happens if a recipient does not claim a payment?
- Can your Firm’s platform integrate with other common digital payment platforms (i.e. Apple Pay, Google Pay, Samsung Pay, Microsoft Wallet, Visa Checkout, etc.)?

18. System Administration

- Please describe your Firm’s system administration capabilities. Can a multilevel hierarchy be established (i.e. Treasury (parent), agency (child), user (grandchild))?
- Can additional hierarchy levels be added?

- Describe the process of granting entitlements and access to individual users. Can agency heads (child) be delegated the responsibility for maintaining end-user (grandchild) entitlements?
- Can the State designate administrators?
- What levels of authorization (i.e. accounts view, transaction capabilities, etc.) can be permitted or turned off for individual users?
- When setting up a new user, can a current user's profile be copied from one user to another?

19. Online Reporting System

- Are there limits on the number of OST users that can have access to the Firm's online website?
- How soon after the cut-off date are the following items ready?

	Online	By Mail
<b>Bank Statements</b>		
<b>CD-ROMs</b>	n/a	
<b>Partial Reconciliation Information</b>		
<b>Full Reconciliation Information</b>		
<b>Account Analysis Statement</b>		

- Describe any recent or upcoming major upgrades to your Firm's online reporting system.
- Are there fees associated with user accounts for the Firm's online website?
- What time is previous day information available?
- Can electronic reports be customized by users within the Firm's online platform? Can these customized reports be saved? Can the templates be shared with other users?

	Standard Term	Optional Available	Terms
<b>Prior / Previous Day Reporting</b>			
<b>Current Day Reporting</b>			
<b>Monthly Account Statements</b>			

• <b>Images of Disbursement Items</b>		
<b>Images of Items Deposited with RDC</b>		

Complete the following table indicating how long each item is available online? Differentiate between the standard term and the terms available for an additional fee. **Please note, this question is asking for how long the items are available, not when they are available.**

- In what file formats can transaction data be downloaded? Can activity be downloaded into Excel?
- What protocols are available for transmission of prior data with the State’s servers retrieving the file from the bank servers? Are these files transmitted by FTP? How early can these files be retrieved?
- What technology options would your Firm recommend OST use for archiving historical check images (i.e. CD-ROM, online retention, data transmission)?
- For historical images of disbursement checks that are accessible online, does your Firm charge per image stored or per image accessed?
- Can historical images of checks be sent by transmission to the State for archival purposes (i.e. a full fiscal year)? If so, describe.
- If available, provide access to an interactive demonstration of the Firm’s online reporting capabilities.
- Describe any mobile applications that your Firm offers for smartphones or tablets. What banking services can be completed using these applications? Complete the following table indicating which banking functions can be completed through the mobile applications.

<b>Banking Function</b>	<b>Yes / No</b>
Initiate a repetitive wire	
Provide secondary approval for a wire transfer	
Decision of positive pay items	
Reset a user’s password	
Obtain balance reports	
Deposit an individual check	

- What dual authentication protocols are available and does your Firm use (i.e. tokens, etc.)?
- Does the Firm’s online reporting system offer the ability to set and send e-mail alerts?
- Can electronic reports be scheduled to be generated automatically and e-mailed to designated users?

- Does your Firm offer any solutions where reports are directly downloaded and accessed from specific workstations?
20. Reconciliation Services
- Does the Firm offer full Account Reconciliation Program (“ARP”) services?
  - What report options are available for full reconciliations? Do these reports include information on check, ACH, and wire transactions? Provide sample reports.
  - Describe how reconciliation data would be transmitted to the State? What data elements are available?
21. Account Analysis Statements
- Provide a sample analysis statement. How soon after month-end is the analysis statement available?
  - Can Association for Financial Professionals (“AFP”) Service Codes be included on the analysis statement? If not, does your Firm offer another report that provides this information?
  - Are account analysis statements available online? How many prior months are available? Can the account analysis details be downloaded into Microsoft Excel?
  - Is the Firm able to send analysis statements in an 822 file?
22. File Transfers
- Can the Firm provide all of the file transfers required in **Appendix D**? If not, please explain any potential issues with meeting these requirements.
  - What type of confirmation(s) can the State receive that the direct deposit files were received and processed? Are email or mobile alerts available?
  - How will the State be notified if a file fails to process correctly? What are the notification options? Describe the process of resolution if this happens to a payroll file.
  - If a direct deposit file is rejected, who can the State contact for resolution?
  - Are there alternative file formats available that would provide more functionality than what the State is using now?
23. Earnings Credit Rates (“ECR”)
- Does the State have the choice of paying the Firm by either “hard dollars” or “soft dollars”? Is the pricing the same for either option? If not, what is the difference?
  - How does the Firm determine, adjust, and apply the ECR?
  - Is the Firm willing to link the ECR to a market index? If so, which index is suggested?
  - Does a reserve requirement apply on balances?
  - Will the Firm assess any balance-based charges to the State? If so,
  - Provide a list of each charge.
  - What is the charge for an entire year on a \$1,000,000 balance?

- How is each charge computed?
  - Are these charges assessed on ledger or collected balances?
  - If the Firm's assessment / surcharge by the FDIC is lowered during the term of the contract with the State, will the proposed balance-based charge be lowered as well?
  - Provide the earnings credit rate history for the 5-year period from January 2020 – December 2024. Please indicate the earnings credit rate for each month.
  - What is the Firm's current ECR? What is the ECR you are offering to the State?
  - If the proposed earnings credit rate is higher than bank's standard ECR, does your Firm plan to maintain this spread for the OST over the life of the contract?
  - Does the Firm have any limits on the amount of deposits that the State could maintain with the Firm?
  - Can "excess" earnings credits be carried forward to cover charges in the following month? Is there a limit on how far forward excess earnings credits can be carried?
24. Overnight Investment Option or Interest-Bearing Bank Deposit  
*(If your Firm is proposing more than one sweep vehicle, please make sure each of the following questions is answered for each option.)*
- What short-term investment vehicle(s) or interest-bearing account(s) does the Firm propose to use for the overnight sweep of the State's main demand deposit accounts?
  - Does a reserve requirement apply to the proposed option?
  - Does an FDIC assessment, deposit-based fee, or similar fee apply to the proposed option?
  - If so, what is the current charge for an entire year on a \$1,000,000 balance? How is this charge computed?
  - Is this charge assessed on ledger or collected balances?
  - Provide investment return history for the 5-year period from January 2020 – December 2024 for each option proposed. Show the yield for each month.
  - With substantial changes in the interest rate and regulatory environments over the last 10 years, what types of changes or recommendations has your Firm made to clients regarding bank deposit balances (i.e. use of compensating balances, sweeps into repurchase agreements, sweep into money market mutual funds, interest bearing checking accounts, other)?
  - If a sweep is proposed, what time of day is the sweep deadline? Is it end-of-day or next-day sweep?
  - What fee (if any) is charged to sweep funds into the proposed investment vehicle(s)? Is the charged assessed per account or by the relationship?
  - If the Firm is proposing a money market mutual fund, provide a copy of the current prospectus and identify the class of shares by providing the ticker symbol or CUSIP.
  - If the earnings credit rate or overnight investment option is not competitive, the State is considering transferring all funds from the DDA accounts to their custody bank at the

end of each day. The State would transfer funds back into the DDA account(s) on a daily basis to meet the disbursements needs each day. Are there any objections or potential issues with this setup?

- Would the Firm be willing to facilitate these transfers with standing instructions from the OST?
- At what time is the Firm able to provide the State with the total disbursements that will clear that day?
- Are balances in the sweep product shown and associated with previous day or current day reports?
- If the Firm is proposing a next-day sweep, please explain and diagram the movement of funds in and out of the DDA. If there are more than ample funds in the sweep vehicle, is there any possibility that the DDA account would be overdrawn?

#### 25. Collateral Requirements

- Please confirm the Firm's willingness to comply with the Guidelines. If there are any exceptions for the State to consider, identify those, and the impact they can have on the Firm's offering.
- Explain how the Firm's approach to collateralization impacts the proposed pricing.
- What type of collateral does the Firm propose? Explain in detail.
- Where will the collateral be held? What type of collateral reports will the State receive? Who sends these reports and how frequently?

#### 26. End-of-Day Overdrafts

- Does the Firm return items if an overdraft exists? If yes, how flexible is this policy?
- What are the fees and interest charges associated with overdrafts? How are these charges calculated?
- Is there a fee per check or per occurrence when there is an overdraft? If so, what is it?
- Is there a daily cap on fees? If so, what is it?

#### 27. Daylight Overdrafts

- Describe the Firm's policies concerning daylight balance overdrafts. Indicate whether this is applied to each individual account or across all accounts of a client relationship.
- Is wire transfer processing stopped when the intra-day limit is reached?
- If the Firm incurs a daylight overdraft charge from the Federal Reserve, will it pass this charge on to its customers? If so, how (e.g. intra-day loan, daylight overdraft facility fees)? How is the charge allocated among customers?

### C. New Services & Ideas

1. Describe any new services or ideas that will enhance the State's use of banking services.
2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.
3. Provide any ideas or suggestions your Firm believes could improve the State's overall banking architecture or services used. Specifically, (a) reducing the number of accounts used by the State and/or State agencies, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

### D. Implementation / Conversion

1. Provide a detailed conversion plan for transitioning the State's existing banking services to your Firm. Include the estimated length of time for the transition and the amount of effort required by the State's staff.
2. Based on the State's implementation expectations **starting on page 3, Background Section**, how would your Firm work with the 200+ State agencies to transition banking services to your Firm?
3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of your Firm's systems.
6. Identify potential issues and risks to the State's implementation of banking services. Identify the appropriate steps to avoid or mitigate these risks.
7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

### E. Pricing & Fees

1. If the State chooses to use compensating balances, are there any charges that could not be paid in this way?

### F. Disaster Recovery

1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested **on page 13 and 14, Tab H**?

**Attachment 1: Lockbox Services Questionnaire**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

**A. Key Personnel & Customer Service**

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information.
  - Proposed role with regard to OST’s account;
  - Biographical information;
  - Location;
  - Experience working with other government entities;
  - Number of years of experience in this field;
  - Number of years with Firm; and
  - Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
  - For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
  - Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
  - What are the hours of operation of the customer service unit involved in supporting the State?
  - If a State employee needs assistance after business hours, what support is available?

**B. Lockbox Services**

1. Describe the Firm’s experience providing lockbox services to government entities.
2. Does the Firm operate its own lockbox, or does it use the services of a third-party? If a third-party lockbox is used, name the lockbox operator and the length of time the operator has had a relationship with your Firm. Describe how the Firm oversees and monitors the third-party lockbox provider to ensure a high level of service.
3. What type of lockbox solution is the Firm proposing for each of the State’s lockboxes (wholesale, retail, wholetail)?

Lockbox	Wholesale / Retail /Wholetail
Lockbox #1 – Division of Corporations Domestic	
Lockbox #2 – Division of Unemployment - Training Tax	

Lockbox #3 – Division of Unemployment - Unemployment Insurance	
Lockbox #4 – Pension	

4. Please fill out the table below with the proposed location for each lockbox and the number of employees at each location.

Lockbox	Proposed Location	# of Lockbox Employees at this Location
Lockbox #1 – Division of Corporations Domestic		
Lockbox #2 – Division of Unemployment Training Tax		
Lockbox #3 – Division of Unemployment Insurance		
Lockbox #4 – Pension		

5. Are all of the Firm’s locations on the same technology platform?
6. Does the Firm have a unique five-digit zip code assigned exclusively for receipt of lockbox items?
7. If the State has a preference to use a Delaware P.O. Box, can the Firm accommodate this request? If so:
- How will mail be directed to the Firm’s processing facility?
  - Will the Firm pick up the items at the Delaware P.O. Box or will your Firm ask the U.S. Postal Service to redirect the mail to your nearest processing facility?
  - Would there be additional mail float time?
  - Would there be an additional cost to this?
8. What was the average monthly volume for the lockbox operation that would process the State’s payments during the last twelve months (items, dollars, number of lockboxes and number of customers)? What percentage of the items processed during the past twelve months were government related?
9. Describe the lockbox department’s processing workflow. Include schematics or flow charts of the processing procedures and the equipment used.
10. Describe the process of establishing processing procedures for each of the State’s lockboxes. Who is involved with these discussions (i.e. relationship manager, implementation coordinator, lockbox specialist)?
11. Will your Firm provide a document to the State outlining the processing procedures for each lockbox? If so, please provide a sample of this document for a similar type of lockbox.
12. If changes are made to the State’s processing instructions, how are these changes communicated? How will the Firm ensure that specifications are adhered to when assigned persons are unavailable?

13. Describe the Firm's procedures for the capture and transmission of remittance details such as account number or invoice number.
14. Does the Firm's equipment have mark-sense technology that detects change-of-address information or other exception-based information provided?
15. What controls does the Firm have in place to ensure accurate processing per customer specifications?
16. Will the Firm process and deposit all of the State's payments on the same ledger day as received? If not, when are these items deposited?
17. What specifications for the remittance documents are recommended to minimize errors and reduce lockbox processing costs?
18. If a payment is received without the remittance document, does the Firm offer any technology that can aid in determining the customer account?
19. How are checks processed for deposit (physical deposit vs ICLs)?
20. Describe processing options for the following types of exceptions:
  - Stub in envelope with no check
  - Check in envelope with no stub
  - Non-balancing remittances
21. Describe the Firm's procedures for processing exception items.
  - Can the State review exception items online?
  - Can business or workflow rules be established for decisioning exception items?
  - How long can items remain in queue awaiting to be decisioned by the State?
  - If items can remain in queue awaiting to be decisioned for only a certain period of time, what happens to the item if the State does not take any action (i.e. the check and remittance document is returned in the mail, the check is processed, but the remittance item is returned, other).
  - Are e-mails sent to authorized users alerting them that an item is awaiting to be decisioned?
22. Describe the reporting capabilities of the Firm's web-based lockbox portal.
  - How quickly after processing the daily work are images available for viewing?
  - What retention options are available for these images?
  - For a given day's lockbox activity, at what time of day can your Firm report the total amount that will be credited to the State's account?
  - Does your Firm offer any web-based document search and electronic archiving? If so, does the system allow searches on any data field?
  - In what standard formats does the Firm transmit? Confirm that the Firm can transmit in BAI format. How will this information be transmitted (website, file transfer, etc.)?

- If correspondence or other non-payment documents are included in payment envelopes, how will these documents be transmitted to the State and at what time? Does the Firm offer correspondence indexing services for non-financial correspondence? If so, describe the service.
23. If selected as a finalist, can the State tour your Firm's lockbox operation?
  24. Returned items processed in the lockbox
    - Can returned checks be automatically redeposited in the lockbox environment? If so, how many times and at what cost?
    - Does the Firm offer Represented Check Entries ("RCK") where an ACH debit is used to represent a returned check through the lockbox?
    - How will the State be notified of returned items?
  25. Can the Firm's lockbox operation process credit/debit card payments? What merchant card processor would you propose to use for these transactions?
  26. What differentiates the Firm's service from that of other providers?
  27. What are some of latest services or features added to the Firm's lockbox solution?

#### eLockbox Services

- Does the Firm offer eLockbox services? If so, describe the Firm's eLockbox service.
- Which clearing networks does the Firm work with? Please describe in detail.
- If multiple State agencies implement eLockbox services, how will constituents be able to differentiate payments between departments? How will the Firm differentiate these payment details to the State (i.e. multiple transmission files, etc.)?

### C. New Services & Ideas

1. Describe any new services or ideas that will enhance the State's use of lockbox services.
2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.
3. The Department of Labor's Unemployment Insurance lockbox requires the lockbox processor to hand-key a large amount of data. What recommendations does the Firm have to improve this process? How about for the Training Tax lockbox?
4. Provide any ideas or suggestions your Firm believes could improve the State's overall use of lockbox services. Specifically, (a) reducing the number of lockboxes used by the State and/or State agencies, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

### D. Implementation / Conversion

1. Provide a detailed conversion plan for transitioning the State's existing lockbox services to your Firm. Include the estimated length of time for the transition and the amount of effort required by the State's staff.
2. Based on the State's implementation expectations **starting on page 3, Background Section**, how would you work with the individual State agencies to transition lockbox services to your Firm?

3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of the Firm's systems.
6. Identify potential issues and risks to the State's implementation of lockbox services. Identify the appropriate steps to avoid or mitigate these risks.
7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

#### **E. Pricing**

1. Complete the schedule of fees provided in **Attachment 6**
2. In addition to the pricing pro forma provided in **Attachment 6** provide a sample analysis statement that uses the Firm's actual service names and expected volumes and pricing based upon the information provided in the pro forma. *Provide a description for each service included in the analysis statement and when the charge would apply.*

#### **F. Disaster Recovery**

1. Describe the procedures established for disaster recovery for lockbox services.
2. If a third-party is used for disaster recovery, with whom does your Firm contract?
3. How often does your Firm test disaster recovery procedures? When was the site last tested?
4. Have disaster recovery procedures ever been employed for a real disaster? If so, explain.
5. How long does it take to activate the site? How long can your Firm stay at the site?
6. What arrangements are made regarding service level agreements in the event of a disaster?
7. What agreements does your Firm have with your equipment manufacturers for additional equipment should a disaster occur? Specify all areas of remittance processing, including mail extraction and image processing.
8. Are there any additional disaster recovery plans specific to this component that are not outlined above or in the Disaster Recovery plan requested **on page 13 and 14, Tab H**?

**Attachment 1: Purchasing/Virtual Card & ePayables Questionnaire**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

**A. Key Personnel & Customer Service**

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information:
  - Proposed role with regard to DOA's account;
  - Biographical information;
  - Location;
  - Experience working with other government entities;
  - Number of years of experience in this field;
  - Number of years with Firm; and,
  - Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
  - For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
  - Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
  - What are the hours of operation of the customer service unit involved in supporting the State?
  - If a State employee needs assistance after business hours, what support is available?
  - In what languages is customer support available?

**B. Purchasing Card Services**

1. What card platform(s) does your Firm's program employ (e.g., MasterCard and/or Visa)? If more than one is used, which would you recommend for the State and why?
2. The State requires the awarded Firm to not only support the existing 4,700 cardholders, but also support the expected growth of the program. Explain how the Firm is able to accomplish both of these objectives.
3. Will the Firm require social security numbers or perform credit checks to approve existing or new cardholders? (*Note: The State will not agree to Firms performing credit checks on employees.*)
4. Does the Firm have the ability to offer separate Purchase and Travel cards? What benefits are derived by having separate Purchase and Travel card programs? Would you recommend separate programs?
5. Provide an overview of software/web-based card program management system that supports the Firm's purchasing card program.
6. Is the software/web-based card program management system wholly owned by your Firm? If not, specify the owner of the software/web-based card program management system.

7. Describe the procedure for enrolling new State organizations into the program, including the following:
  - Required account setup information
  - Authorizations
  - Applications
  - Forms and signatures that are required (samples are encouraged)
  - Time frames for providing cards once the organization takes the necessary enrollment steps
8. The State currently has an online process for adding cardholders that ensures organizational, and State internal controls are met. This paperless approach is a requirement of the State and an explanation on how your Firm can meet this requirement should be detailed in question a below.
  - How is the procedure of adding cardholders accomplished through an on-line or electronic system?
  - What cardholder information needs to be supplied to issue a new card?
  - Does a new cardholder have to input or supply any information, or can the State administrator supply all of the necessary information without any involvement by the new cardholder?
  - Does the Firm offer the ability to have multiple approvers for each new cardholder added?
  - Are there any paper forms or signatures required to add a new cardholder?
  - What is the time frame for issuing and mailing cards once the organization takes the necessary enrollment steps?
9. Describe the card controls and usage restrictions supported by the Firm's program:
  - The ability for the State to occasionally allow cash advances to card holders is essential. Is the State able to block or grant ATM/Institution Cash Advance access on a card-by-card basis to include the issuance of PINs?
  - How quickly can cash advances be permitted when needed by a cardholder? Is it instantaneous?
  - Is the State able to block card usage by Merchant Category Code ("MCC")?
  - Can the State establish card limits on a real-time basis? Card limits include both a per transaction dollar limit, as well as a monthly dollar limit.
  - Describe any additional limits, purchase restrictions or any other types of restrictions or fraud controls available.
10. Card Issuance
  - Can the card design be customized to include the State's logo?
  - Can the card design be customized to include State supplied graphics? Are there any restrictions on the graphics supplied?
  - Confirm all cards will include, at minimum:
    - EMV Chip

- Phrase: “FOR OFFICIAL USE ONLY”
- Employee Name
- Toll free 24-hour per day customer service number
- What card design features can assist with card acceptance or the prevention of misuse?
- Is the State able to order cards with no distinctive governmental affiliation for cardholders who should not readily be identified as a State employee?
- For cards issued with an EMV, will a pin number be required for face-to-face transactions? If so, how will the pin number be assigned and communicated to the employee?
- What is the delivery method and turnaround time for new/replacement cards?
- If the State orders 10 or more new cards on any given day, will the Firm be willing to express ship those cards to the State at no cost?
- Can the Firm send all newly issued cards (including replacement cards) directly to a centralized location? (*Note: the State desires to have all cards sent to DOA*)
- What is the time frame for emergency or rush cards, and is there a fee to the State for overnight delivery?
- Can card profiles associated with an employee job title or position be made available to quickly set up new cardholders with a specific transaction/credit limit and specific MCC categories?
- It is State requirement that all cards require activation upon receipt and prior to first use. How will the Firm accommodate this?
- How often do cards expire and are re-issued to cardholders?
- When are reissued cards issued and sent prior to the expiration date of the existing card?
- What are the Firm’s procedures for canceling a card and notifying the State? Is the State able to disallow any such cancellation?

#### 11. Lost, Stolen or Compromised Cards

- In what ways can the State notify the Firm once they realize a card has been lost, stolen or compromised?
- The State requires support for notification. Is support for notification available 24/7?
- How long does it take for a card to be cancelled once the Firm has been notified?
- How quickly can a replacement card be mailed once the Firm has been notified?
- How will the Firm handle the replacement of a lost or stolen card in the event the State requires account activation within 48 hours or less?

#### 12. Program Administration

- What capabilities and functionalities do administrators have (i.e. adding new cardholders, adjusting credit limits, reviewing activities)? Are these changes made in real-time?

- If a transaction is declined at the point-of-sale and the cardholder contacts the Program Administrator, can the Program Administrator adjust restrictions, cardholder limits, and controls on individual cards on a “real-time” basis? If not “real-time”, identify the length of time required for changes to become effective.
- If the internet is unavailable, can Program Administrators make changes to cardholder limits/restrictions by phone?
- Can Program Administrators make temporary adjustments to a cardholder’s profile that automatically reverts back to the original profile on a specified future date?
- Can a report be generated to show dormant accounts that have no activity for a period of time?
- Can a report be generated to summarize the amount spent by all cardholders for individual vendors?

### 13. Customer Support

- Will State administrators have a dedicated customer service team to handle requests and service needs?
  - What are the normal business hours of this team?
  - Will it be available 24/7/365?
  - Where is the call center located?
  - How many support personnel available?
  - What is the average response time?
- Will cardholders have a toll-free assistance line for account inquiries, billing information, reporting fraud and other services the Firm describes?
  - What are the normal business hours of this team?
  - Will it be available 24/7/365?
  - Where is the call center located?
  - How many support personnel available?
  - What is the average response time?

### 14. Disputed and Fraudulent Activity

- What is the process for handling disputed and fraudulent items?
- How will a cardholder dispute an item on his or her statement, or submit notice of an item believed to be fraudulent?
- How is the pending dispute or fraudulent item notated on a cardholder’s account?
- How is a cardholder’s account corrected if dispute is settled in cardholder’s favor or transaction is confirmed fraudulent?
- What is the timeframe for crediting the disputed or fraudulent item to the cardholder’s account?

- Does the Firm offer any program for eliminating/reducing card fraud?
- What are the liabilities of the State and employees in the event of fraud, abuse, or loss of a card that is committed by a non-employee and not for the benefit of the State?
  - If the State is not liable but a loss is incurred, would it impact the rebate, if any, paid to the State?
  - Confirm neither the State nor any State employee will be held responsible for charges incurred from a lost/stolen card if the loss is reported to the awarded Firm within five business days of the known loss.
- Is the Firm able to electronically notify authorized designees of unusual transaction activity at the individual cardholder level?

15. Reporting

- Describe the online reporting provided to cardholders and administrators.
- Identify whether the online reporting system provides real time information for transactions. If not, how long does it take for transaction data to become available? *(Note: availability of real-time transaction information is a requirement of the State.)*
- Is the State able to generate reports that are organization (Department or Division level, not across the entire Program) or cardholder specific? *(Note: the ability to generate these reports is a requirement of the State.)*
- Is the State able to schedule on-demand ad-hoc reports?
- Confirm that the Firm can provide the reporting requirements provided in the table below.

<b>Requirement</b>	<b>Yes/No</b>
List of cardholders by State, organization, etc.	
Detailed transaction listing by cardholder.	
Detailed transaction listing by organization or unit within the organization.	
Summary listing of activity by merchant type.	
Detailed listing of transaction by merchant type, cardholder.	
Monthly listing of all cards reported lost or stolen, including date account was closed.	
Listing of all accounts closed during the month and the date of closing.	
Listing of all disputed transactions submitted by State organizations.	
Daily listing of all declined transactions by organization, cardholder.	
Listing of all authorized card users by account.	

- In what formats, can these reports be downloaded? Are these reports downloaded from the web-based application? Are there alternative options for transmitting daily reports (i.e. FTP)?
- Validate the capacity to meet the file definitions provided in **Appendix D** for current file transfers.
- Confirm the Firm's ability to provide cardholder test files to the extent where a testing database is provided to the central P-Card team to execute the triggers provided in **Appendix D** for creation of testing files for the cardholder data interface file.
- Does the State have the ability to run reports to show activity for: daily, weekly, monthly, quarterly, yearly, and for a period between any two dates chosen by the central team end user?
- Describe the electronic data available online that can be downloaded. In what format is information available?
- Are workflow reports available to show an audit trail of specific activity, such as card review/approvals (name, date, activity) and temporary credit limit approvals?
- Provide a demonstration of your Firm's online capabilities. Access to the demo can be by CD-ROM or online.
- How can the State limit the ability to view information on an organization-by-organization basis (scoped viewing)?
- Describe the data that is captured by the online reporting system. Does the reporting system capture Level 3 data?
- Describe the Firm's capabilities regarding interfaces with FSF. Elaborate on the ability to extract data in various formats from your system for analysis or to interface with the State's accounting systems.
- Additional Benefits / No Cost Features
- Discuss any no-cost benefits provided to cardholders (i.e. travelers' checks, emergency check cashing privileges, etc.)
- For employees using the card for travel expenses, what additional benefits (i.e. accident and lost baggage protection) are provided at no additional cost?

### **C. Electronic Payables (ePayables) Services**

Currently, FSF does not have the functionality to handle comprehensive ePayables services. The following questions would allow the State to evaluate the feasibility of implementing a holistic ePayables solution and determine the allocation of resources needed to complete the project.

- Describe the Firm's capabilities and experience with electronic payables solutions (virtual card and ACH payments).
- How many customers currently use your Firm's electronic payables service? How many used the service as of January 1, 2024, and as of December 31, 20124?
- Describe the Firm's involvement with the payment process. Discuss in detail any files that OST would need to prepare or transmit to the bank. Are separate files required for virtual card transactions and ACH transactions or can they be combined in a single file?

- Please provide a timeline or flowchart of the entire payment process, including the deduction of cash from an OST account and receipt of payment by the vendor.
- What are the options for transmitting vendor payment instructions to the bank? What is the deadline for the transmission of these payment instructions for same-day processing?
- Once the Firm receives a payment instruction file, can the State instruct payments to be delayed and sent on a specific date or will payments be initiated immediate?
- What controls are in place to protect against lost files and duplications of transmissions? If duplicate files are sent, is there a penalty or potential issue?
- How frequently can transmission files be uploaded to the bank for the issuance of additional payments? Is there a limit to the number of files per day?
- Does the Firm provide automatic file receipt acknowledgements?
- Describe the Firm's ability to warehouse payment orders.
- Describe the Firm's capabilities for delivering remittance detail to the payment recipient for each payment method. Is there an additional fee for this service?
- Payments to Vendors by Merchant Card
  - Describe how vendor payments made by card are communicated to vendors. Are ghost cards or one-time use cards used for payment?
  - Describe how suppliers receive payments.
  - Identify how authorization limits are determined or changed.
  - If the supplier reverses a payment, identify the impact on the available balance for the card.
  - Are there any reports that the State can access that identifies initiated, but unprocessed card payments?
  - If an email is sent to vendors, provide an example of the correspondence sent. Can the body of the email sent to vendors be customized by the State?
  - If a vendor does not process a credit card payment, after how many days does the card number "expire" and can no longer be used?
  - Before the card number "expires" does your Firm's system send an automated reminder notice to the vendor informing them that they have a payment that has not been processed?
  - Does your Firm offer a Buyer Initiated Payment (push pay) Program? If so, provide an explanation of how this service would operate. Does a different rebate schedule apply?

### 13. Payments to Suppliers by ACH

- Does the State need to send a separate file for vendors receiving ACH payments or can these transactions be sent in the same payment instruction file as virtual card payments?
- Does the payment instruction file need to include the payee's routing and account number details? If not, how does the Firm process the payment (i.e. a vendor code)?

- Does your Firm assign a vendor code? Is the vendor code assigned by your Firm or do you use the State's unique vendor identification code?
- Is your Firm willing to accommodate the State's preference to process ACH payments through its primary bank by storing and retaining routing and account information in OST's ERP system? If not, discuss why your approach is better for OST.

#### 14. Vendor Enrollment

- Discuss your Firm's approach in recruiting vendors on the State's behalf to your Firm's electronic payables platform.
- What are the steps for signing up a vendor? Does the Firm have an online self-enrollment internet portal for vendors to register?
- Identify the number of suppliers your Firm currently has enrolled. Please specify the number of vendors currently receiving card payments vs. ACH payments.
- If a supplier is already enrolled with your Firm's payables platform, can these vendors be paid immediately or does your vendor enrollment team have to contact the vendor first? Is the process the same for ACH and card payments? If not, describe the differences.
- Who makes outbound phone calls to vendors (i.e. employees of your bank or a third-party)? Will a specific individual or a team of individuals be assigned to the State?
- How many professionals on the vendor outreach teams does your Firm employ? For these individuals, what percentage of their time is dedicated to vendor outreach calls or activities?
- Is the vendor outreach team empowered to sign up the vendor or is it handed off to another department?
- Will your Firm provide vendor payment information (i.e. contact person, e-mail, address, phone number, routing and account number) to the State?
- How quickly does your Firm anticipate reaching out to the State's vendors? How many vendors do you plan to reach out to in 3 months? In 6 months?
- Based on the vendor file provided in **Appendix G** identify the number of vendors, transaction and dollar amount, that your Firm thinks will likely accept the State's electronic payables
- program within 6 months? Within 12 months? Please specify what you expect to convert to ACH versus card payments.
- What policies or procedures would your Firm recommend the State adopt to maximize vendor acceptance of OST's electronic payment options?
- Provide two specific examples of a successful implementation for a client. What were the organization's issues, solutions, and results of this implementation?

#### D. New Services & Ideas

1. What additional ideas or services can your Firm offer that will improve or enhance the State's purchasing card or virtual card program? These can include, but not be limited to:
  - Alternative payment programs
  - Unique card features

- Advances in fraud detection
  - Specialized customer services
  - Timesaving items on billing statement
  - Specially created and informative management reports
  - Vendor relations and marketing
2. Does the Firm currently have or will offer in the near future, mobile banking services (i.e., via cell phone, tablet, laptop, etc.) to view transactions or perform administrative functions? If so, is there a cost associated with this service?
  3. Provide any additional information that your Firm believes to be pertinent but not specifically requested elsewhere in the RFP.
  4. Provide any additional ideas or suggestions your Firm feels could improve the State's purchasing/virtual card program. Specifically, (a) growing the State's vendor acceptance of both programs, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

**E. Implementation / Conversion**

1. Provide a detailed conversion plan for transitioning the State's existing purchasing and virtual card programs to your Firm. Include the estimated length of time for the transition and the amount of effort required by the DOA's staff.
2. What are the general steps in implementing an ePayables program for the State? What resources will be needed from the State? *(Note: ePayables in this RFP is defined as the ability for the State to create and send a single file with vendor payments to be made by either virtual card or ACH.)*
3. If the State implements an ePayables program as mentioned above, does the State have the ability to add check payments to this same file in the future, and have the bank print and mail physical check payments?
4. Based on the State's implementation expectations **starting on page 3, Background Section**, how would your Firm work with the individual State agencies to transition this service to your Firm?
5. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
6. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
7. Indicate the Firm's plans for initial and ongoing education and training of DOA and State agency employees in the use of your Firm's systems.
8. Identify potential issues and risks to the State's implementation of a new purchasing/virtual card and ePayables program. Identify the appropriate steps to avoid or mitigate these risks.
9. Describe the recommended process for data conversion and migration of the existing 4,700 cardholders that the State expects to convert to the new card administration system. Where and when does this task/subtask fit into the overall project workplan? Identify State and Vendor responsibilities for these activities.

10. Describe the post implementation support that will be provided for the Delaware Procurement Card Program. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.
11. What type of training is available for all current and potential purchasing card users? Include the availability of training in the following formats: webinars, on-site and job aids. Also, describe any training resources that will be available for the State to use to train new end users on an ongoing basis after initial implementation.
12. The awarded Firm will be responsible for providing help desk operations to support the new Delaware Procurement Card Program. The implementation will have an impact on the demand for and delivery of help desk services. The Firm will be responsible for providing help desk operations to support the State. Describe the following:
  - Coordination of the State help desk with training activities;
  - Recommended help desk software tools;
  - Training to be provided to the State help desk agents;
  - Suggested escalation procedures;
  - Interim staffing for peak help desk demand periods and transition to a permanent arrangement; and
  - Development of a help desk knowledge base.

## **F. Pricing**

### **1. Settlement and Billing System**

- Describe the Firm's basic system for billing. Examples and samples are encouraged.
- Discuss the Firm's adaptability of its system to organization requests for changes, such as additional data elements, characters, or control numbers.
- Provide an example of a cardholder billing statement format and displayed information.
- Who has the ability to view and download cardholder billing statements?
- What are the available options to add other recipients/parent organizations?
- What billing cycles are available?
- How will the State receive billing statements? Are they available electronically? (*Note: electronic billing is desired by the State*).
- What are the payment terms from "statement date"?
- How soon after the billing cycle ends are statements available? Can statements be available electronically the morning following the billing cycle end date?
- Is the Firm able to provide a monthly invoice for all statewide charges and credits transacted in the statement period? If so, in what format is this information available?

- Is the Firm able to provide a detailed electronic report of all statewide transactions to support the summary invoice, available the first morning following the end of the billing period? If so, in what format is this information available?
1. By what payment methods (ACH/Wire/Check) will the Firm accept monthly payments by the State?
  2. Rebate Schedule
    - Provide a rebate schedule for card activity at various usage levels up to \$500 million.
    - Describe any other factors, such as average transaction size, file turn, etc., that affect the rebate amount.
    - Describe how speed of payment is calculated.
    - Identify any exceptions to the rebate schedule (i.e. large dollar items, etc.) Specifically define what constitutes a “large dollar” item.
    - Address additional proposed incentives to include signing bonuses.
    - Will the same rebate schedule apply for purchasing card and virtual card payments?
  3. Fees to the State
    - Identify all fees/charges that would apply to international transactions.
    - Are there any fees associated with cash advances?
    - Is there a cost to send monthly paper statements to individual cardholders?
    - Identify all fees and charges for the ePayables solution including payment by purchasing card, check and ACH, that the State would be responsible for paying in an ePayables environment.
    - Is your Firm willing to offer any upfront or one-time transition or retention incentives?
    - For how long will the Firm guarantee the proposed fees/rebate?
    - Provide all purchase, licensing, and maintenance costs. If software must be licensed per workstation, show each workstation license cost. Note if any site license/master license program is available. Please provide a copy of this proposed license agreement. If there is a software maintenance agreement, please provide a copy of this proposed agreement. Indicate support capabilities and availability; indicate whether upgrades and to what degree (i.e., full vs. incremental) are included in the maintenance agreement.

**G. Disaster Recovery**

1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested **on page 13 and 14, Tab H**?

**Attachment 1: Pre-Paid Debit Card Questionnaire**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

**A. Key Personnel & Customer Service**

- Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information.
  - Proposed role with regard to OST's account;
  - Biographical information;
  - Location;
  - Experience working with other government entities;
  - Number of years of experience in this field;
  - Number of years with Firm; and
  - Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
- For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
  - Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
  - What are the hours of operation of the customer service unit involved in supporting the State?
  - If a State employee needs assistance after business hours, what support is available?
  - In what languages is customer support available?

**B. Pre-Paid Debit Card Services**

1. Provide a description of your Firm's card program and how it will meet the State's requirements. Can the same card program be used for all of the purposes mentioned for DSCYF, DHSS, and DOL? If not, please elaborate.
2. How long has your Firm offered this card program?
3. What network brand is on the card (Visa / MasterCard, other)? Provide a sample image of the card.
4. Describe how the cards are tied to an account at a financial institution; is the account owned by the recipient, the State, or is the card tied to a For Benefit of ("FBO") account? Explain the ownership and structure of the FBO account.
5. Are the accounts insured by FDIC or National Credit Union Share Insurance Fund ("NCUSIF")?
6. How will the State agencies get the account number information to make future payments electronically?

7. Is there an annual minimum number of cards that the State needs to issue for this program? Would this minimum threshold apply for the entire State or each individual program (DSCYF, DHSS, DOL)?
8. At what point does a card become inactive? What happens to inactive cards?
9. Who is responsible for escheatment of unused funds?
10. What assistance has your Firm provided your government clients in navigating the new prepaid rules established by the Consumer Financial Protection Bureau (“CFPB”)?
11. What changes has your Firm made or are anticipating to make due to the new prepaid rules established by the CFPB?
12. Cardholder
  - Does the program provide free access to funds at ATMs, retail stores, and bank branches? Describe the options for the recipient to access funds.
  - Are service fees ever assessed on a withdrawal from an ATM owned by your Firm’s financial institution or from a surcharge-free ATM?
  - How many “no surcharge” ATM locations are owned and operated by your Firm’s financial institution in the State?
  - What type of customer support is available by phone? Where is this call center located?
  - Are cardholders initially greeted with an Integrated Voice Response (“IVR”) System or a live-person?
  - What time are live representatives available to answer questions? If a call occurs outside of this available window, will the IVR provide a message informing the cardholder of the hours during which a live representative will be available?
  - Provide information on the customer support center’s average speed of responses to telephone calls.
  - Is it possible for the recipient to overdraw on the card? Describe your Firm’s overdraft policy.
  - What protections are associated with the program to prevent fraud?
  - Do the cards expire? If yes, in what period of time?
  - Does your Firm offer any mobile applications for cardholders to view balances or locate in-network ATMs? Is there a cost?
  - How can the State agencies pay recipients that have lost their cards and have not yet received replacement cards (emergency payments)? Will balances from the lost/stolen cards be automatically transferred to the new cards?
  - What type of online reporting is available to cardholders?
  - How many months of previous account statements are available to cardholders online?
  - How is returned mail (monthly statements, promotional information) handled?

### 13. Issuance

- Please describe options for automatic enrollment of individuals to the stored value card. Is there any forms or documents that need to be completed, signed or acknowledged by the cardholder?
- What information is required for each individual card? Is the recipient required to provide their Social Security Number, physical address, date of birth, telephone number, other?
- If a Social Security Number is required, can an Individual Taxpayer Identification Number (“ITIN”) be substituted?
- Can cards be mailed to a recipient’s P.O. Box address as long as they have provided a physical address during the application process?
- How quickly will the recipient receive their card once it is mailed?
- Does the program allow for immediate on-site issuance and load of cards? If so, describe the process to maintain and secure an inventory of cards.
- If instant issue cards are an option, what is the minimum quantity instant issue cards can be ordered? Does the program monitor the remaining inventory of instant-issue cards and initiate an order when the inventory level reaches a certain threshold?
- Will the State have access to issue cards online 24/7? If no, what are the hours/days of access?
- If the State transmits a NACHA file to its cash management bank with an effective date of Friday, how quickly will funds be available?
- If the State issues a Same Day ACH to the card, how quickly will funds be available to the cardholder?
- Are written materials provided that can be used by recipients on the proper use of the cards?
- If a recipient’s name is misspelled on the original card, can the State make this change in the system without automatically reissuing a new card?
- How quickly will the Firm be able to make data changes, such as name and address, of cardholder data that is transmitted by the State or State Departments?
- Will the Firm be able to provide a list of cards returned by the U.S. Postal Service as undeliverable?

#### **C. New Services & Ideas**

1. Describe any new services or ideas that will enhance the State’s use of a stored value card program.
2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.
3. Provide any ideas or suggestions your Firm believes could improve the State’s stored value card program(s). Specifically, (a) issuance of cards and providing customer service to card recipients, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

#### **D. Implementation / Conversion**

1. Provide a detailed conversion plan for transitioning the State's existing stored value card program to your Firm. Include the estimated length of time for the transition and the amount of effort required by the OST's staff.
2. Based on the State's implementation expectations **starting on page 3, Background Section**, how would your Firm work with the individual State agencies to transition this service to your Firm?
3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of your Firm's systems.
6. Identify potential issues and risks to the State's implementation of stored value card services. Identify the appropriate steps to avoid or mitigate these risks.
7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

#### **E. Pricing**

1. Fee Structure - Describe any fees incurred by the *State*, including:
  - Card issuance fees
  - Card funding fees
  - Administrative costs
  - Software (lease purchase, installation, training, customization)
  - Standard reports
  - On-going technical assistance
  - Related training
2. Fee Structure – Describe any fees incurred by the *Cardholder* including:
  - How many free withdrawals per month can a cardholder get from your Firm's ATM network or from a surcharge free ATM?
  - Will the cardholder be charged any point-of-sale (POS) fees for pin-based transactions?
  - Will the cardholder be charged for any POS fees for signature-based transactions?
  - Will the cardholder be charged for bank over the counter transactions?
  - Will the cardholder be charged any monthly account fees?
  - Will the cardholder be charged monthly paper statement fees?
  - Will the cardholder be charged balance inquiry fees?
  - Will the cardholder be assessed a fee for calling the customer service center?

- Will lost cards be replaced at no charge for standard delivery?
- If the cardholder requests for an expedited replacement card, what is the fee?
- Detail all other fees that could be charged to cardholder.

### **Disaster Recovery**

1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested **on page 13 and 14, Tab H?**

### **Attachment 1: Check Printing Questionnaire**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

#### **A. Key Personnel & Customer Service**

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information:
  - Proposed role with regard to OST's account;
  - Biographical information;
  - Location;
  - Experience working with other government entities;
  - Number of years of experience in this field;
  - Number of years with Firm; and
  - Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
  - For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
  - Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
  - What are the hours of operation of the customer service unit involved in supporting the State?
  - If a State employee needs assistance after business hours, what support is available?

#### **B. Check Printing Services**

1. Describe the Firm's experience in providing check-printing services.
2. How will the State transmit check payment information to the bank?
3. Are there any file size limits for check printing files? If so, what are they?
4. What is your Firm's cut-off time for receiving files for vendor checks to be printed on the next business day?

5. What is the cut-off date and time for receiving files for payroll checks and statements for mailing of checks/paystubs on Friday?
6. Where will checks be printed?
7. Can a printed check be returned? How long does it take?
8. What controls does your Firm employ to assure safety of customer data transmitted, check stock, and safeguarding of the checks before they are mailed?
9. Describe the process that your Firm would use to verify that all records have been received and processed.
10. Describe in detail the type of printers and the technology that would be used to print the payroll statements and checks? What security features does the equipment have?
11. What quality controls are in place to prevent errors in printing?
12. What are the hours of your Firm's printing operation?
13. Describe in detail any quality improvement program that your Firm has in place. Provide statistics or other regularly available performance data related to the level of service quality and any other data that demonstrates your commitment to quality improvement.

**C. New Services & Ideas**

1. Describe any new services or ideas that will enhance the State's use of a check printing services.
2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.

**D. Implementation / Conversion**

1. Provide a detailed conversion plan for transitioning the State's current process of check printing to your Firm. Include the estimated length of time for the transition and the amount of effort required by the OST's staff.
2. Based on the State's implementation expectations **starting on page 3, Background Section**, how would your Firm work with the individual State agencies to transition this service to your Firm?
3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of your Firm's systems.
6. Identify potential issues and risks to the State's implementation of check printing services. Identify the appropriate steps to avoid or mitigate these risks.
7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

**E. Pricing**

1. What are the estimated costs associated with the State outsourcing their check printing? Be sure to include any one-time setup fees. Note: All checks must be printed and mailed from an East Coast processing center to ensure timely delivery and operational alignment

**F. Disaster Recovery**

1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested **on page 13 and 14, Tab H**?
2. How quickly can check printing resume in a disaster recovery situation?



**Attachment 3: Exception Form**

**CONTRACT NUMBER: TRE25101-BANKINGSVS**

Proposals must include all exceptions to the specifications, terms or conditions contained in this solicitation, including all attachments and appendices. If Vendor is submitting the proposal without exceptions, please state so below.

- By checking this box, Vendor acknowledges that it takes no exception to the specifications, terms or conditions found in this solicitation, including the terms of the PSA.

<b>Paragraph and page #</b>	<b>#</b>	<b>Exceptions to specifications, terms or conditions</b>	<b>Proposed alternative</b>

**Note: Use additional pages as necessary.**

**Attachment 4: Business References**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

List a minimum of four business references. At least two (2) of the references should be from government entities. Business references should include the following information:

- Business name and mailing address
- Contact name, phone number and email address
- Number of years doing business with
- Type of work performed

Please do not list any State entity, officer or employee as a business reference.

If you have held a State contract within the last 5 years, provide a separate list of the contract(s), describe the scope of work performed and include the name, title, phone number and email address for your primary contact for each engagement.

**Attachment 5: Requirements Matrix**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

Please complete excel file entitled Requirements Matrix attached to this document.

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**Attachment 6: Schedule of Fees**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

Please complete excel file entitled Requirements Matrix attached to this document.

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**APPENDIX A: Scope of Services**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

**A. Component 1: General Banking**

- 1. General Requirements:** The State uses an extensive array of cash management banking services. At minimum, the scope of Component 1: General Banking will include OST’s cash Position accounts. The vendor selected for Component 1 may also be asked to provide cash management services for the State agencies. OST’s has one main concentration account currently with JP Morgan Chase (“JPMC”).

**OST’s Cash Position Accounts**

Currently, OST maintains and reconciles thirteen (13) Demand Deposit Accounts (“DDA”). In total, there are thirty-six (36) DDAs with the current vendor. The remaining accounts are managed independently by other state agencies as part of their daily operations. JPMC serves as the State’s Primary Concentration Bank (“PCB”).

An overview of the current structure of the State’s PCB relationships is provided below.

	<b>Incumbent Bank</b>	<b>Account Description</b>	<b>Check Disbursements</b>	<b>ZBA Master/Sub</b>
1	JPMC	OST Concentration Account		Master
2	JPMC	OST ACH Debits Account		ZBA
3	JPMC	Pensions Checking Account	Y	ZBA
4	JPMC	Pensions Direct Deposit		ZBA
5	JPMC	Pension Investments Account		ZBA
6	JPMC	Pensions Lockbox		ZBA
7	JPMC	PHRST Payroll Direct Deposit		ZBA
8	JPMC	PHRST Payroll Checking Account	Y	ZBA
9	JPMC	DOR ACH Account		ZBA
10	JPMC	DOR Checking Account	Y	ZBA
11	JPMC	DOR Internet Filling Account		ZBA
12	JPMC	OUP Property Refunds Account	Y	ZBA
13	JPMC	DOA Vendor Payments Checking Account	Y	ZBA
14	JPMC	DOA Vendor Payments ACH Account		ZBA
15	JPMC	DDDS Rep Payee for Client Beneficiaries		
16	JPMC	LOSAP Fireman’s Pension		
17	JPMC	DPERS Qualified Excess Benefit Arrangement		
18	JPMC	DOL UI Account		
19	JPMC	DOL UI Benefit Payment Fund		
20	JPMC	DOL UI Benefit Checking		
21	JPMC	DOL UI Benefit Direct Deposit		
22	JPMC	DOL UI Overpayment Refund BPC		
23	JPMC	DOL Employer Overpayment		
24	JPMC	DOL Training Tax Refund Account		
25	JPMC	DOL FEMA Benefit Account		
26	JPMC	DOL LWA Waiver		
27	JPMC	DOL UI Tax Lockbox		
28	JPMC	DOL DUI Training Tax Lockbox		

29	JPMC	Office of the Public Guardian		
30	JPMC	DOL Division of Paid Family Medical Leave		
31	JPMC	DOL Paid Family Leave Trust Disbursements		
32	JPMC	DOS DBH Dental Clinic		
33	JPMC	Merchant Services		ZBA
34	JPMC	DNREC Merchant Processing		
35	JPMC	Division of Corporations Franchise Tax Lockbox**		
36	JPMC	Bank Commissioner Account		ZBA
37	M&T Bank	Welfare Account	Y	

**\*\*Division of Corporation has its own billing statement.**

The State has consolidated its banking relationships to establish a more streamlined approach to managing its banking needs. As part of its commitment to continuous improvement, the State welcomes vendor recommendations on account structures and industry best practices. Related questions are provided in **Attachment 1** for vendor response.

### **Agency Bank Accounts**

Component 1 includes the accounts and transaction volumes used by the majority of State agencies. The State aims to maintain a relationship with a single bank to improve control and maximize earnings on State funds. Throughout the current contract term, OST has reviewed account usage to identify opportunities to reduce the number of accounts or consolidate activity into other existing State accounts where appropriate.

**Attachment 6** provides estimated volumes for OST’s Cash Position Accounts and agency bank accounts referenced above. Most agency accounts fall under a separate structure known as “Local Banking.” These accounts are managed independently by local schools and State agencies and are not integrated with the State’s accounting system, FSF. Depending on their specific needs, agencies may choose to leverage the banking solutions provided through this RFP to support their operations.

Required services include:

1. Establish DDAs to meet the State’s banking requirements and maintain accurate records of activity in those accounts; and
  2. Offer zero-balance account (“ZBA”) services.
- 2. Relationship Management:** Regular communication with the State’s financial institution, as well as support from the relationship management team is essential to the success of this relationship. It is the State’s desire to have quarterly meetings with the bank’s relationship team. These meetings should consist of the following:
1. Review of open issues and Services Updates
  2. Review of the Commercial Card (P-Card) program to ensure the State is maximizing on their rebate potential and exploring ways to enhance the program;
  3. Consider any new products that could replace or enhance existing services or increase efficiency
  4. Collateralization discussion review to ensure the State’s funds are fully collateralized as outline in the CMPB guidelines
  5. Review the Hybrid Account model to ensure the State funds maximize for ECR to offset all banking fee and earning interest on excess deposits
  6. Review Current Ongoing Projects
  7. Determine if there are less expensive ways to process transactions without sacrificing efficiency.

8. Determine if any training is needed on the bank’s systems.
9. Discuss fraud protection and consider ways that transactions can be processed more securely; and,
10. Review the financial condition of the bank and any recent changes as needed

Required services include:

1. Provide a relationship management team with government experience; and,
2. Quarterly (at minimum) meetings with the State to review the items listed above.

3. **Deposit Services:** For Component 1, the bank will need to offer Remote Deposit Capture (“RDC”) and Image Cash Letter (“ICL”) services to process checks received. There is no requirement for checks to be processed and deposited at a local branch or vault facility, but these options are a plus if available. Any branch or vault activity will be awarded to a bank through a separate Request for Qualification process. The State is seeking to reduce the collection of checks and cash and increase electronic collections where possible.

**OST’s Cash Position Accounts**

The State deposits approximately 18,315 checks per month. Currently, approximately 2,644 checks are processed using RDC and 15,671 checks are processed using ICL. Between these two services, there are approximately 14% RDC and 86% ICL deposits per month. All checks are deposited via RDC or ICL. Please note there are 16,876 checks on average are cleared through Lockbox services.

The State has 17 organizations using RDC. The table below provides a list of the current organizations using RDC and the number of locations associated with each. In total, there are 93 locations using RDC throughout the State. The State uses a location identification code (deposit reconciliation) to identify the location making the deposit.

	<b>State Organization</b>	<b>Locations</b>
1	Office of the State Treasurer	1
2	DelMar School District	1
3	Dept of Natural Resources and Environmental Control	13
4	Office of Management and Budget	18
5	Department of State	7
6	Dept of Human Resources	6
7	Dept of Homeland Security	1
8	Dept of State - Commission of Veterans Affairs	3
9	Dept of Finance – Division of Revenue	3
10	Dept of Finance - Division of Accounting	2
11	Dept of Transportation	2
12	Dept of Education- Finance Section	1
13	Dept of Labor - Division of Industrial Affairs	4
14	Milford School District	1
15	Dept of Insurance	11
16	Dept of Justice - IPU	1
17	Dept of Justice - VCAP	19
	<b>Statewide RDC Locations</b>	<b>94</b>

### **State Agency Accounts**

Currently, three State agency accounts utilize Remote Deposit Capture (RDC) or Image Cash Letter (ICL) services:

- The Division of Child Support Services (DCSS) processes approximately 10,350 checks per month using ICL, with one deposit per business day. DCSS ICL items are cleared at 11:30am, and their accounts are currently held with TD Bank.
- The Division of Unemployment Insurance processes approximately 455 checks per month using RDC, with two deposits per business day.
- The Division of Revenue (DOR) uses ICL, processing two ICL deposits per day, typically uploaded to the bank by 11:30 a.m., with a monthly average of 16,958 checks.

The State is seeking to leverage the use of technology and will likely encourage additional agencies to adopt RDC. There is potential for an additional **8,263 checks** to be deposited each month.

#### **Required services include:**

1. Processing the deposit of approximately **29,000 checks per month** via RDC or ICL;
2. Imaging of deposited RDC items;
3. Providing deposit reconciliation services; and
4. Providing online access to deposited item images.

## **4. Check Disbursement Services**

### **OST's Cash Position Accounts**

The State disburses approximately 30,000 checks per month across five (5) primary disbursement accounts, all of which utilize controlled disbursement and positive pay services. Payee positive pay is currently implemented for the Vendor Checking account. Daily positive pay files are submitted to the bank, and exception items are reviewed and resolved through the bank's online decisioning platform.

In addition, the Welfare Checking account, currently held at M&T Bank, functions as a sixth disbursement account. Across all six accounts, approximately fifteen (15) State employees require access to the online decisioning system—six (6) from the OST, four (4) from the Division of Revenue (DOR) and five (5) from OUP.

The State Judicial Branch issues a high volume of low dollar checks due to Delaware Code Title 11, § 4106. Restitution for property damage or loss, which requires - (d) Each court shall establish procedures for the collection and disbursement of funds ordered under this section, including notification of the victim that restitution has been ordered. Such procedures shall at minimum include the following: (1) All restitution payments shall be disbursed to victims within 90 days of receipt or whenever the accumulated amount of the restitution payments received is \$50 or more, whichever event first occurs.

As the checks are issued out of the State's Vendor Payments Checking Account, the current volume is included in the monthly total disbursement. Stale date service is being used. Checks or drafts issued by the State shall not be honored after the expiration of six months, 180 days from the date of issuance. (29 Del. C. §2706(b)).

### **Payroll & Pension Payments**

The State mandates direct deposit, however, some employees and retirees are still receiving physical checks. Approximately 525 employees receive checks bi-weekly on Fridays and 250 retirees receive

a check on the last business day of the month. The State’s central payroll operations group (“PHRST”) also issues 30-50 on-demand payroll checks each pay period.

#### Check Disbursements to Non-U.S. Residents

The Office of Management and Budget (OMB) currently issues checks each month to 15 pension recipients residing outside the United States. Similarly, the Office of Unemployment Insurance (OUI) issues checks to both domestic and international claimants, unless the recipient resides in a country that does not accept U.S. checks. In such cases, payments are made via wire transfer. However, because the cost of cashing a U.S. check abroad can exceed the check’s value, some recipients do not deposit them, resulting in outstanding checks that ultimately require escheatment—creating additional administrative burden for the State. To address this issue, the State is exploring more efficient disbursement methods, such as International ACH Transactions (IATs).

### **5. Electronic Disbursement of Funds**

#### **OST’s Cash Position Accounts**

The State originates approximately 62,000 ACH credits each month, not including direct deposit of payroll. The majority of these are vendor payments and personal income tax refunds. The State also originates approximately 16,000 ACH debits each month. A NACHA file is provided to the bank daily. The maximum ACH file is approximately \$150 million.

An additional 900 ACHs are originated through the bank’s online platform. The State initiates approximately 33 wire transfers per month.

#### Payroll & Pension Payments (included in OST’s Cash Position Accounts)

Direct deposit has been mandated at the State since 1996 for employees and retirees receiving pension payments. Exceptions to direct deposit are grandfathered employees, attachés, student workers, tutors, aides, substitutes or casual/seasonal employees (term not to exceed two months), and during the pre-note process. Some employees may receive permission to waive this requirement, however this is rare.

The State pays its 47,000 employees on a bi-weekly basis on Fridays. If Friday is a holiday, employees are paid on Thursday. There are approximately 100,000 payroll credits originated on a monthly basis (assuming two pay periods). Approximately 1.2% of employees, or 525 employees, still receive a physical payroll check. The total pay per cycle is approximately \$81 million.

Although the NACHA file has an effective date of the pay day/settlement date, local credit unions have funded employee accounts one day early of the actual pay day. The State will need to have the NACHA file be released to the Clearinghouse by 5pm two days prior to the settlement date to allow the credit unions to continue to offer this benefit.

The State administers a unique wage garnishment program referred to as STRIP. As part of this program, the State requires the ability to delete or “strip” a direct deposit from the NACHA file. These requests will be submitted to the vendor by 3:00 p.m., two business days prior to the file’s settlement date. This process effectively modifies the originally transmitted NACHA file, allowing sufficient time for the file to be updated and transmitted to the clearinghouse so that all other deposits post as scheduled. On average, two transactions are deleted per pay cycle, totaling less than \$10,000. While this is an uncommon process, it is necessary to ensure that the remaining 47,000 State employees receive their payroll deposits on time each Friday.

The State pays pension recipients on the last business day of the month. There are approximately 37,000 payments totaling \$76 million per month to retirees. Only 75 retirees are currently receiving checks.

When the two direct deposit cycles fall on the same date, the State makes approximately \$157 million in payments from these two sources. Vendors need to document their exception management process to handle potential scenarios that may fall outside of traditional technical or disaster recovery plans. For instance, when ACH files exceed predetermined limits, the processing of files should not be delayed without notifying the State, due to the potential impacts associated with payroll and pension processing.

A detailed list of specifications for the payroll and pension direct deposit process can be found in **Appendix E**.

#### Fraud Prevention

Currently, OST uses ACH debit blocks and will likely have ACH debit blocks placed on all of the State's cash position accounts. The State also uses ACH Positive Pay service on their main concentration account and an SEC code fraud filter on three additional accounts.

#### State Agency Accounts

State agency accounts originate approximately 96,000 credits and 1,200 debits each month.

Required services include:

1. Send ACH transactions;
2. Provide a secure electronic method for wiring funds and initiating intra-bank transfers;
3. Meet all processing deadlines in order for payroll and pension direct deposit payments to process as needed; and,
4. Provide ACH debit blocking, positive pay and fraud filter services.

### **6. Electronic Receipt of Funds:**

#### OST's Cash Position Accounts

The State receives 1614 ACH transactions on average per month. These transactions are received in OST's main concentration account that uses a service called Virtual Reference Service (VRS) for wires and ACH Receiver Services for ACH to identify the beneficiary (specific State agency) for the funds. The State is willing to consider alternative solutions to accommodate the reconciliation of these services.

It is the State's understanding that the current solution may not be portable. It is important to address how the bank will assist OST in ensuring payors send electronic transactions to the new banking information. The State currently has approximately 268 of these codes in use.

The OST receives approximately 126 wire transfers per month via the use VRS numbers to identify the beneficiary state agency efficiently. The State has approximately 30 of these codes in use.

#### State Agency Accounts

State agency accounts receive approximately 30,000 credits and 60 debits each month. 89% of the received credits are in one account for DCSS.

Required services include:

1. Accept ACH transactions;
2. Accept incoming wire transfers; and,
3. Provide UPIC services or an alternative solution.

### **7. Reconciliation:** The State uses full reconciliation on all disbursement accounts.

#### Enterprise Resource Planning (ERP) System

The State uses PeopleSoft as both their Human Capital Management (“HCM”) system and financial accounting system. The HCM system is used by PHRST for payroll and the Office of Pensions for pension administration. The financial accounting system used by the DOA is referred to as FSF. Both systems are currently running PeopleSoft v. 9.2. Please note, the State's ERP systems, Pensions, HCM and Finance, are expected to be replaced with cloud-based technology during modernization that is currently underway.

Also, OST utilizes two third-party reconciliation platforms: T-Res by Chesapeake Solutions and Frontier by Trintech. The State is currently operating T-Recs version 7.6.3.

- 8. Reporting:** All disbursement checks are imaged and provided to the State via JPMC Access. The State would like to explore alternative archiving options available.

OST requires access to daily reports of balances and transaction information, including current and prior day reporting of ledger balance, available balance, and summary and details of credits/debits posted. The State validates the cash position accounts on a daily basis. Additionally, the following reports would be very

- Stops/Cancelled Check Report – A report showing an accurate listing of stop payments and cancelled check activity for the reconciliation month.
- Stale-Dated Report – A report containing an accurate listing of checks that have gone stale during the reconciliation month.
- Outstanding Checks Report – A report that includes only outstanding checks and excludes any stale-dated or stopped/cancelled items for the reconciliation month.

Designated employees within the Department of Accounting (DOA) require access to various daily and monthly reports, including but not limited to: Issue Input Transmission Confirmation Reports, Monthly Bank Statements, Returns and Exceptions Reports, ACH Returned Supplier Payments Reports, ACH Returned Vendor Payments Reports, and Check Inquiry. This list is not exhaustive.

Select employees must have online access to the bank’s reporting platform. A limited number of these users will serve as administrators, while others will require tiered access based on their roles and responsibilities.

Vendors must also be able to direct communications to relevant State agencies as needed, including PHRST and the Office of the State Treasurer (OST), particularly for payroll processing issues.

Security of the State’s financial information and proper controls are of the highest importance to OST. The State is seeking a bank with an extensive user reporting feature in order for OST to easily identify who has access to the bank’s online platform, what accounts they have access to, and what entitlements they have (e.g. wire transfers, approvals, internal book transfers, etc.).

### **State Agency Accounts**

If the State decides to add additional agency accounts to this relationship, the need for this level of reporting and the administration of these users will become much more complex. The State would require an online system that can support a multi-level hierarchy. This hierarchy would allow OST to control entitlements and access for all OST users and allow the OST to delegate this control to sub-administrators at the different agencies. The agency sub-administrators would have the ability to maintain the users and their entitlements for their agency only.

- 9. File Transfers:** The State sends and receives a variety of files to and from the bank on a daily basis. Most of these files are standard formats, however, some must be customized by the State once received in order to be uploaded into the State’s ERP systems. The State’s Department of Technology and Information (DTI) would like to minimize the amount of customization required for these files. The

ability for the bank to meet the State's ERP formatting requirements and minimize any customization by the State is highly desired.

#### Payroll & Pension Direct Deposit File Transfers

The State's payroll direct deposit file is submitted to the bank no later than 11:59 p.m. ET, three days before the settlement date/pay day. ACH file confirmation will need to be received by the State's payroll department on the next business day by 9:00 a.m. The pension direct deposit file is submitted to the bank no later than 4:00 p.m. three business days prior to the pay date.

#### Additional File Transfers

A full list of the State's current incoming and outgoing file transfers associated with this component can be in **Appendix D**. Most reconciliation files are received from the bank each evening. These files are uploaded into the State's ERP system, FSF, each day at 12:00 p.m. All files are transmitted via Secure File Transfer Protocol ("SFTP").

The State has strict file processing specifications that must be followed. The State's Enterprise Standards and Policies, created and maintained by DTI, can be found here: <https://dti.delaware.gov/information/standards-policies.shtml>. The State's Secure File Transport requirements and file processing specifications can be found on this site as well.

Required services include:

1. Provide online balance reporting services;
2. Allow State employees with different levels of authorization to access the bank's online reporting system;
3. If needed, provide multi-hierarchy administration;
4. Provide current day and prior day reporting;
5. Provide full account reconciliation services for disbursements and deposits;
6. Provide online monthly activity statements and reports for all accounts by the third business day of the following month;
7. Provide a detailed monthly account analysis statement for each individual account and a consolidated statement showing charges for all account services by the tenth business day of the month;
8. Provide electronic archival of cleared checks (images of front and back);
9. Provide online access to cashed check images; and
10. Transfer, at no cost to the OST, all records and information relating to Component 1, electronically and by hard copy as requested, to a successor bank upon termination or completion of contract.

- 10. Bank Balances:** Over the last year, average ledger balances have fluctuated from \$200 million to \$350 million with an average of approximately \$150 million. Currently, OST holds these balances as compensating balances or an automated sweep into a money market mutual fund.

The State requires all collected balances in excess of balances insured by the FDIC be collateralized. Collateralization requirements for State funds were established by the Cash Management Policy Board and are included in the Guidelines. This document can be found in **Appendix C**. (*Specific requirements for Collection and Disbursement Accounts can be found in Section 5.0 of Appendix B.*)

Required services include:

1. Provide a competitive earnings credit rate for uninvested balances;
2. Provide an overnight investment service (sweep) and/or interest bearing account for excess cash balances in the demand deposit accounts;

3. Collateralize all collected balances, in excess of balances insured by the FDIC, as per the collateral requirements of the State of Delaware; and
4. Meet all requirements for the investment of State funds as described above and in the Guidelines (found in **Appendix C**).

## **B. Component 2: Lockbox Services**

The State currently maintains five separate lockboxes with a single financial institution, J.P. Morgan Chase. Additionally, DOR accepts electronic payments through an eLockbox with J.P. Morgan Chase. Through this RFP, the State intends to continue receiving these services from a single financial institution. A summary of the current lockboxes and their processing requirements is provided below.

### **Lockbox #1 Division of Corporations – Domestic Franchise Tax Payments**

The Division of Corporations uses a lockbox to process domestic franchise tax payments. This lockbox has both a retail and wholesale processing component. Any items that come in with a remittance document are processed through the retail lockbox, while any items needing manual intervention are processed through the wholesale box.

The lockbox collects check payments, and all payments are currently sent to a Binghamton, NY post office box. The lockbox DDA account also accepts ACH credit using CCD+ format. The ACH credits and lockbox payments are reported together using a consolidated receivables platform.

Approximately 200,000 payments are processed through the Scannable lockbox annually, and 22,000 payments are processed through the wholesale lockbox. The payments are highly seasonal. In May, the volume peaked at 110,046 items. In January, the volume is minimal with only 150 items processed. The monthly average is 18,750 items processed. The State processed a total of \$145.1 million in payments through this lockbox in 2024.

The Division utilizes online decisioning through Receivables Edge, with 9 employees authorized to access the system to make same day changes. Cut off processing time for the lockbox will need to be 4:00 pm, this will allow for Division employees the sufficient time needed to complete for the data entry on enrichment items. All checks are processed on the same day as received. The State may require an extension around the June 1 tax deadline.

Imaging: The Division requires imaging of the front of the remittance item(bill), and all checks processed at the lockbox. These files are archived and available online for 3 years.

Any correspondence or miscellaneous items received through the lockbox are returned to the Division via overnight delivery using the Division of Corporations prepaid account.

Remittance Documents: There is a standard remittance document that is received with payments. This document has an OCR scanline, which includes the following information. There is a check digit in the scanline.

Corporate file number: 9 digits

Invoice Amount: 9 digits

Payment Identification: will be one digit from the list below

1 = Quarterly tax bill

4 = Limited partnership tax bill

6 = Tax bills

7 = Limited liability tax bill

8 = General partnership tax bill

**Remittance Document Testing:** A collaboration between the lockbox bank and the Division to test the OCR scanline is required. A time constraint because of due dates is required for the testing. The testing is required on a quarterly/yearly basis, depending on the tax type.

**Keyed Data:** The current processor is keying in the file number, amount of check, payment ID and check number into the system for items unable to be scanned.

**Exceptions/Rejects:** All legal filings are to be returned to the Division; examples will be sent to the lockbox for reference. Other items that are considered exceptions and need to be returned to the Division are listed below in either Processable remittance with check or Non-processable remittance without check. These items are returned to the Division of Corporations daily using a provided prepaid account from the Division.

**Processable remittance with check**

- a. Where the remittance indicates no payment is due or a credit balance, return the remittance with its envelope and check to the Division in special handling.
- b. Where the remittance includes multiple check(s) and/or invoice(s) and the totals do not agree, return to the Division in special handling.
- c. Where the remittance includes an invoice that has no OCR scan or where there is only correspondence accompanying the check, return the remittance and check to the Division in Special Handling.
- d. Remittances with stale-dated checks (more than six months old), and checks postdated more than three days in advance of the processing date.

**Non-processable remittances without checks**

- a. Remittances with no checks enclosed. The bank will return the item to the Division as special handling with “NO CHECK” indicated on the envelope.
- b. Remittances with foreign checks which are drawn on non-us banks.
- c. Remittances that do not have a Delaware file number.

The Division receives a completed text file (.txt) by 10:00 p.m. each day. The file is sent by the bank via SFTP directly to the State’s SFTP file server. File transfer details can be found in **Appendix D**. The Vendor must provide the State with a fixed IP address so that appropriate firewall rules can be implemented.

<b>Lockbox #1 – Division of Corporations</b>	
<b>Purpose</b>	Collection of Domestic Franchise Tax Payments
<b>Lockbox Type</b>	<input type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input checked="" type="checkbox"/> Wholetail
<b>Annual Collections</b>	\$145.1 million
<b>Annual Volume Received</b>	200,000 (Scannable LBX) 22,000 (Wholesale LBX)
<b>Standard Remittance Documents</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Items Scanned</b>	<input checked="" type="checkbox"/> Check front only <input checked="" type="checkbox"/> Remittance Document (front only) <input type="checkbox"/> Correspondence
<b>Images Available Online</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Length of Time Images are Accessible</b>	3 years

<b>Payment Data Transmitted?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Physical Copies Returned</b>	<input checked="" type="checkbox"/> Yes, the exceptions referenced above. <input type="checkbox"/> No

**Lockbox #2: Division of Unemployment – Training Tax**

The Division of Unemployment uses a wholesale lockbox to process training tax. The lockbox only collects check payments and all payments are currently sent to a Binghamton, NY post office box.

Approximately 40,000 payments are processed through this lockbox annually. The payments are collected seasonal; July and December. The monthly average is 2970. This lockbox processes over \$5.62 million in payments annually.

The current cutoff processing time is 2:00 p.m.

Imaging: The Division is imaging the front of the remittance document and all checks. These images are available online for seven years.

Remittance: There are standard remittance documents submitted with payments; these include a mix of scannable and non-scannable items. Examples of each can be found in **Appendix I**. All remittance items or correspondence received through the lockbox are captured and accessible through an online portal access..

Keyed Data: the Division requires the bank to key in the following information for each item: Account, Year/Quarter, Dollar amount of payment.

Exceptions/Rejects: Exceptions for this lockbox include items received with no account number, stale dated items and checks with no signature. These items should not be processed and returned to the Division of Unemployment daily via USPS.

Reporting: Three teams in the Tax Operations unit have authorized access to view online images, and each team has separate login information. The Division is not currently using online decisioning, but is interested in exploring it through this RFP process.

A text (.txt) file is received daily at 3:00 p.m. via SFTP. File transfer details can be found in **Appendix D** and detailed specifications related to this file can be found in **Appendix H**.

<b>Lockbox #2 – Division of Unemployment - Training Tax</b>	
<b>Purpose</b>	Collection of Training Tax Payments
<b>Lockbox Type</b>	<input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Wholetail
<b>Annual Collections</b>	\$5.62 million
<b>Annual Volume Received</b>	40,000
<b>Standard Remittance Documents</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Items Scanned</b>	<input type="checkbox"/> Envelope <input checked="" type="checkbox"/> Check <input checked="" type="checkbox"/> Remittance Document <input type="checkbox"/> Correspondence
<b>Images Available Online</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Length of Time Images are Accessible</b>	7 years

<b>Payment Data Transmitted?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Physical Copies Returned</b>	<input checked="" type="checkbox"/> Yes (exceptions/correspondence only) <input type="checkbox"/> No

**Lockbox #3: Division of Unemployment – Unemployment Insurance**

The Division of Unemployment uses a wholesale lockbox to process unemployment insurance payments. The lockbox only collects check payments, and all payments are currently sent to a Philadelphia, PA post office box.

Approximately 74,000 payments are processed through this lockbox annually. The payments are seasonal; May can see volumes of 16,257, while December can see a low of 289. The monthly average is 6,141. This lockbox processes over \$87.28 million in payments annually.

The current cutoff processing time is 2:00 p.m.

Remittance Items: There are standard remittance documents (UC8, UC8A and UC8PAY) submitted with payments. None of these items have an OCR scanline. The Division requires that the original copies of the UC8 and UC8As be returned via overnight courier each day. If the Division is able to access these images online, the remittance items can be sent back via USPS. In addition, any stale dated items or checks without signatures should also be returned. Examples of remittance items can be found in **Appendix I**.

Imaging: The Division is imaging the front of the remittance documents and all checks. Tax reports include UC8 and UC8a. These images are available online for seven years.

Keyed Data: The Division of Unemployment currently requires a large amount of data to be captured and keyed. The State would like to explore ways to decrease or eliminate this. The information currently being hand keyed for each item includes:

- Year/Quarter
- Due date
- Tax rate
- Federal Employer Tax ID Number (FEIN)
- Social Security Numbers and corresponding first initial and last name
- Taxable wages
- Total remittance amount
- Gross and excess wages

Exceptions/Rejects: Exceptions for this lockbox include items received with no identifier, such as no-account number, FEIN, or if it is missing the year/quarter that identifies which tax period it should be applied to. These items should not be processed and returned to the Division of Unemployment via USPS.

Reporting: Three teams in the Tax Operations unit have authorized access to view online images, and each team has separate login information. The Division is not currently using online decisioning but is interested in exploring it through this RFP process.

Three text (.txt) files are received daily at 3:00 p.m. via SFTP. File transfer details can be found in **Appendix D**, and detailed specifications related to this file can be found in **Appendix H**.

<b>Lockbox #3 – Division of Unemployment - Unemployment Insurance</b>	
<b>Purpose</b>	Collection of Unemployment Insurance
<b>Lockbox Type</b>	<input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Wholetail
<b>Annual Collections</b>	\$80.71 million
<b>Annual Volume Received</b>	70,000
<b>Standard Remittance Documents</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Items Scanned</b>	<input type="checkbox"/> Envelope <input checked="" type="checkbox"/> Check <input checked="" type="checkbox"/> Remittance Document (front) <input type="checkbox"/> Correspondence
<b>Images Available Online</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Length of Time Images are Accessible</b>	7 years
<b>Payment Data Transmitted?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Physical Copies Returned</b>	<input checked="" type="checkbox"/> Yes (exceptions & UC8/UC8As) <input type="checkbox"/> No

**Lockbox #4: Pension – Insurance Payments**

The Pension Office collects retiree healthcare premiums, pension buy-ins and benefit repayments using a wholesale lockbox. The lockbox only collects check payments and all payments are currently sent to a Binghamton, NY post office box.

Approximately 2,725 payments are processed through this lockbox annually. The payments are not seasonal. The monthly average of payments received is consistent each month.

The current cutoff time for processing is 5:00 p.m. and funds are made available same-day. Any checks unable to be cleared are attempted to be redeposited a second time before being marked as NSF. The Pension Office does not receive physical copies of checks; however, a digital image should be included with each payment,

Imaging: The Pension Office is imaging any checks received, and correspondence. These images are available online for 7 years and are accessible by 5 employees on the State’s Investment and Accounting staff.

There are no standard remittance documents received in this lockbox. Each check image, however, includes information captured during processing. An example is below.

Batch: 1, Tran: 3, Date: 20180405, Amount 259.34, Lockbox #5585, Acct#: XXXXXXXXX, Check #6477

Exceptions/Rejects: Postdated checks are considered exception items. If the check is postdated within 10 days, the State would like the Vendor to hold and process. If the check is postdated more than 10 days, it should be sent to the Pension Office. The State is not currently using online decisioning.

Items that do not use the proper payee name should be rejected, as well as any unsigned checks. The current list of proper payee names includes:

- DE State Pension Office
- Delaware Public Employees’ Retirement System

- Delaware State Pension Office
- DPERS
- Office of Pensions
- State of Delaware Pension Office/Office of Pensions
- State of Delaware/State Pension

Reporting: The State does not currently receive a transmission of any data files. Each day, the State downloads the prior day images from the online platform for processing through their ERP system.

<b>Lockbox #4 – Pension</b>	
<b>Purpose</b>	Collection of retiree healthcare premiums, pension buy-ins and benefit repayments
<b>Lockbox Type</b>	<input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Wholetail
<b>Annual Volume Received</b>	2,725
<b>Standard Remittance Documents</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No remittance document
<b>Items Scanned</b>	<input type="checkbox"/> Envelope <input type="checkbox"/> Check <input type="checkbox"/> Remittance Document <input checked="" type="checkbox"/> Correspondence <input checked="" type="checkbox"/> Handwritten notes
<b>Images Available Online</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Length of Time Images are Accessible</b>	7 years
<b>Payment Data Transmitted?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Physical Copies Returned</b>	<input checked="" type="checkbox"/> Yes (Monthly) <input type="checkbox"/> No

**Lockbox #5: Division of Revenue eLockbox**

The DOR has implemented an eLockbox solution to facilitate the electronic processing of payments from consumer bill payer systems. There 39,000 items (on average) per month that go through the DOR eLockbox and this volume of items is expected to grow.

**Lockbox #6: OST eLockbox**

OST has implemented an eLockbox solution to support the electronic processing of various payment types and associated remittance data. Transaction volume data for March 2025 is provided in **Attachment 6 – Schedule of Fees**.

Required Services Include:

1. Provide a lockbox solution for the State’s payment and document collection needs;
2. Process, including imaging, checks, remittance documents, and other forms/documents received;
3. Provide online access to images of processed items, remittance documents and other forms/documents;
4. Capture details from the remittance document and other forms/documents either electronically or manually;
5. Provide online reporting and download of transaction detail and summary including account numbers and payment amounts;
6. Split exception items from general processing to allow for review and correction by the Treasurer’s Office;
7. Provide online exception item review and correction; and

- 8. Provide an “eLockbox” solution.

**C. Component 3: Purchasing/Virtual Card & ePayables**

**Background**

The State of Delaware currently maintains a contract for a VISA card program used by state agencies and school districts for procurement and/or travel-related purchases. The Delaware Procurement Card Program (“P-Card”) includes 294 departments, 19 school districts, and 25 charter schools. This program offers one card type for travel and purchase. Additionally, the State operates a virtual card program using Single Use Accounts (SUAs) to pay vendors. This procurement seeks to establish a new contract to provide card issuance and card management services. The current provider is JPMC. *Please note that DOA currently intends to continue offering a single card type but is interested in exploring the option of implementing a combined expense and travel card program. This could potentially allow for the issuance of two separate card types instead of one.*

**General Requirements:** The State is seeking proposals from qualified vendors to provide purchasing card and ePayables services. For the purposes of this RFP, **ePayables** is defined as the State submitting a single vendor payment file to the bank, which then disburses payments on behalf of the State via virtual card or ACH. The State’s Financial System (FSF) supports only VISA or MasterCard solutions. As FSF is currently in the early stages of modernization, this functionality may change in the future.

**Purchasing Card**

Project Vision

The State seeks to optimize both efficiency and quality benefits from the P-Card program. The card management system is as important as the card offering itself. Card maintenance is centrally managed by the Department of Accounting (DOA). The envisioned solution should:

- Integrate with the State’s ERP system, FSF, for transaction processing
- Remain compatible with future versions of PeopleSoft Financials with the capability for compatibility with current modern-day cloud-based financial technology
- Include tools and controls to detect and prevent fraud
- Provide transparency into all P-Card transactions
- Minimize the administrative burden on cardholders and program administrators

Program Details

The DOA centrally administers the Delaware P-Card Program. The program allows the State to manage cardholder limits, establish transaction rules, and access reporting tools via a secure vendor-hosted web platform.

- **Total annual spend (2024):** Over \$87 million
- **Monthly average spend:** ~\$7.3 million
- **Number of participating departments:** 294
- **Number of cardholders:** Over 5,300

**2022 – 2024 Monthly P-Card Spend**

	2022	2023	2024
<b>JAN</b>	\$5,604,585.73	\$7,309,571.95	\$6,475,040.55
<b>FEB</b>	\$6,976,599.62	\$7,397,661.39	\$7,042,335.11
<b>MAR</b>	\$7,013,340.52	\$7,502,022.93	\$7,243,772.17
<b>APR</b>	\$7,199,327.38	\$8,256,666.90	\$7,862,839.35
<b>MAY</b>	\$7,698,013.79	\$7,987,411.49	\$7,855,119.54

<b>JUN</b>	\$6,681,378.32	\$6,533,641.89	\$7,871,740.00
<b>JUL</b>	\$6,172,169.64	\$6,468,588.32	\$7,132,854.36
<b>AUG</b>	\$7,103,029.34	\$7,414,509.05	\$7,644,854.44
<b>SEPT</b>	\$7,216,109.89	\$7,322,599.39	\$8,290,343.99
<b>OCT</b>	\$7,418,901.53	\$7,206,642.77	\$7,506,796.34
<b>NOV</b>	\$6,613,906.92	\$6,244,993.50	\$6,665,962.64
<b>DEC</b>	\$6,183,731.03	\$5,812,213.05	\$6,021,713.19
<b>TOTAL</b>	<b>\$81,881,093.71</b>	<b>\$85,456,522.63</b>	<b>\$87,615,395.68</b>

Cash Advances

Cash advances are permitted on a case-by-case basis and requires multiple approvals within the State, including DOA. Some examples of cash advance needs include overseas travel by Department of State employees. In addition, cash advances are permitted for emergency workers that are traveling out of state or internationally.

Virtual Card

Initiated in 2015, the virtual card (SUA) program currently includes over 2,300 vendors and processed over \$98 million in payments in FY 2024.

**Vendor Growth (2015–2024):**

- Q4 2024: 2,391 vendors
- Q4 2015: 563 vendors

A table showing the vendor growth of the SUA program is provided as well.

**2022 – 2024 Monthly Virtual Card Spend**

	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>JAN</b>	\$5,449,058.57	\$7,733,833.94	\$7,806,968.55
<b>FEB</b>	\$9,503,235.80	\$6,534,231.70	\$9,297,852.77
<b>MAR</b>	\$7,465,551.28	\$6,110,087.36	\$7,390,131.75
<b>APR</b>	\$6,379,026.98	\$6,939,039.16	\$8,365,398.19
<b>MAY</b>	\$6,847,359.92	\$7,793,296.91	\$7,160,233.15
<b>JUN</b>	\$8,932,664.00	\$11,007,191.45	\$10,127,569.47
<b>JUL</b>	\$5,284,254.33	\$6,213,391.59	\$4,536,967.89
<b>AUG</b>	\$9,337,507.95	\$11,103,756.53	\$9,277,272.62
<b>SEPT</b>	\$9,100,166.01	\$10,976,731.23	\$9,905,203.74
<b>OCT</b>	\$8,087,346.33	\$16,315,662.50	\$8,898,063.81
<b>NOV</b>	\$9,716,542.67	\$7,887,880.19	\$8,377,953.98
<b>DEC</b>	\$7,733,833.94	\$7,319,670.22	\$7,551,287.40
<b>TOTAL</b>	<b>\$93,836,547.78</b>	<b>\$105,934,772.78</b>	<b>\$98,696,927.32</b>

**FY 2022-2024 Virtual Card Suppliers by Quarter**

	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>1<sup>st</sup> Quarter</b>	2,557	2,387	2,459
<b>2<sup>nd</sup> Quarter</b>	2,427	2,597	2,433
<b>3<sup>rd</sup> Quarter</b>	2,413	2,504	2,412
<b>4<sup>th</sup> Quarter</b>	2,398	2,485	2,393

### **Electronic Payables (ePayables)**

The State is evaluating expanded use of virtual card and ACH payments to vendors. A list of active vendors, payment volumes, and values is provided in **Appendix G**.

**Reporting Requirements:** The vendor must provide a secure, web-based reporting system with real-time access for multiple users. Reports should be customizable by:

- Statewide program
- Department or agency
- Unit or cardholder level

Access to aggregated program-level data will be restricted to authorized P-Card administrators. Reports should be exportable in various formats (PDF, Excel, HTML, etc.). Ad-hoc reporting capabilities are strongly preferred.

### **File Transfers**

- The State uses **PeopleSoft Financials v9.2** as its financial system of record.
- The system includes the Purchasing, eProcurement, and Accounts Payable modules.
- Cardholder information is exchanged daily via secure interface files between the vendor's card management system and the State's secure server.

### **Business Process Summary:**

1. Vendor sends nightly cardholder data files (Monday–Friday)
2. Files are validated and loaded into PeopleSoft using employee ID as the match key
3. All technical specifications are governed by DTI's Enterprise Standards and Secure File Transport Requirements, available [here](#)

More technical specifications can be found in **Appendix D and Exhibit 4 of the PSA**.

### **Required Services**

Vendors must:

1. Assist with transitioning check-based vendors to ACH or virtual card
2. Provide rebates on P-Card and virtual card spending
3. Collaborate with the State to increase ePayables adoption and rebate potential
4. Offer a VISA or MasterCard-based solution
5. Provide a business continuity and disaster recovery plan
6. Issue cards without requiring individual credit checks
7. Deliver cards within 7–10 business days
8. Support current transaction volumes and future growth
9. Enable real-time online account management (e.g., name changes, cancellations)
10. Respond to technical testing requests within 48 hours and complete changes within 7 business days
11. Upon termination or contract completion, transfer all Component 3-related records—electronically and in hard copy—to the successor bank at no cost to the State

## **D. Component 4: Prepaid Debit Card**

**General Requirements:** The State is seeking a provider of prepaid debit card services as an alternative payment method for constituents who do not supply bank routing and account information for direct deposit. The prepaid debit card program is intended to be an electronic-based solution that enables recipients to access their funds while minimizing the risks associated with lost or stolen checks and reducing the reliance on paper-based disbursements.

Recipients must be able to access deposited funds at no cost and manage their accounts via an online platform accessible to both cardholders and the State. The program should allow agencies to either reload existing cards or issue instant cards, depending on agency-specific needs. Currently, three agencies utilize a prepaid debit card program:

- **Department of Services for Children, Youth and Their Families (DSCYF)**
- **Department of Health and Social Services (DHSS)**
- **Department of Labor (DOL)**

All cards are currently issued under a contract with U.S. Bank.

### **Agency Program Overviews**

#### **DSCYF Program**

DSCYF issues monthly benefit payments to unbanked recipients using prepaid debit.

- Approx. 902 recipients; 30-40 use prepaid debt cards, 100 receive checks, and the remainder use direct deposit.
- Average monthly payment: \$ 1,505.
- Cards are requested online by DSCYF staff, a process they wish to maintain.
- DSCYF is exploring expanding the program to include disbursing funds to juveniles upon release from custody.

#### **DHSS Program**

DCSS issues child support payments via check, ACH, and ReliaCard issued by US Bank).

- Total recipients: 420,287
- Payment breakdown:

<b>Payment Type</b>	<b># of Recipients</b>	<b>Average Payment</b>
ACH	212,867	\$246
Check	51,380	\$198
Prepaid Debit Card	156,040	\$136

- Direct deposit is mandatory. Non-respondents are auto-enrolled in the card program (currently paused due to CFPB regulations).
- Cards are issued through an A2A web call from DCSS's Delaware Child Support System (DECSS).
- Demographic updates are sent in real time.
- Payment files must be sent daily, and funds disbursed within two business days per federal regulations.

#### **DOL Program**

The Division of Unemployment Insurance issues daily (M-F) unemployment payments through direct deposit, prepaid debit and checks.

Current recipients: 6,782

- Pre-Paid Debit Card: 2,059
- Direct Deposit: 4,286
- Check: 437
- Average weekly payment: \$330

- Recipients without direct deposit are auto-enrolled in the debit card program.
- Daily files generated and sent to the bank:
  - NACHA payment file
  - Refresh file with name/address updates
  - Enrollment file
- Bank provides a daily refresh file of closed accounts and a file with new account numbers.

The State is interested in expanding this program to additional agencies to reduce the issuance of physical checks and cash.

**Required Services:**

1. Accept 100% of State program recipients
2. Allow 100% withdrawal of deposited funds
3. Provide written instructional materials to cardholders upon issuance
4. Offer access to a broad ATM network (e.g., STAR, Cirrus, Plus, Maestro)
5. Provide 24/7 domestic customer service via phone
6. Allow unlimited daily withdrawals
7. Provide monthly account statements to cardholders
8. Prevent overdrawn card accounts
9. Deliver the program and administrative support at no cost to the State
10. Offer no- or low-fee options for cardholders to access funds
11. Accept demographic updates regardless of card status (ready or active)
12. Provide reporting on returned cards and daily load values
13. Respond to help desk issues within 24 hours
14. Upon termination or contract completion, transfer all Component 4-related data to a successor bank—both electronically and in hard copy—at no cost to OST

**E. Component 5: Check Printing Services**

**General Requirements:**

Currently, the State prints payroll and accounts payable (A/P) vendor checks internally that need to be returned to a particular agency. Approximately 80% of OST’s check printing and mailing services are outsourced between JPMC and Bottomline. Bottomline provides check printing services for the Department of Services for Children, Youth, and Their Families (DSCYF) and some vendor AP checks. While the State continues to reduce check volume by shifting to ACH or card-based payments, a significant number of checks are still issued each month—primarily for payroll and vendor payments. JPMC provides check printing services for the Office of Pensions, DOR, and OUP. The selected vendor must be capable of providing full mailing and postage services.

**Required services include:**

1. Accepting electronic transmission of payment and remittance data from PeopleSoft and cloud based EFP software;
2. Generating ACH advices for payments;
3. Printing checks in formats specified by the State’s banking partners and compliant with industry standards;
4. Sending daily electronic files of printed checks for positive pay and reconciliation;
5. Providing electronic print reconciliation reports with counts, amounts, and processing statistics after each production run;
6. Supplying management reports for reconciliation, control, and information purposes as required;
7. Processing and preparing all USPS mailings (folding, inserting, metering) in compliance with current USPS requirements and postage rates;

8. Regularly sampling checks for MICR line testing to ensure compliance with ANSI standards;  
and
9. Transferring all Component 5-related records and data—both electronically and in hard copy

**APPENDIX B: PROFESSIONAL SERVICES AGREEMENT**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

This Professional Services Agreement (the “Agreement”) is entered into by and between the Office of State Treasurer (“OST”) for the State of Delaware (the “State”), on behalf of itself and the Cash Management Policy Board (the “Board”), and [ ] (“Vendor”). [DOA will be the counterparty for the Agreement for PCard, SUA and ePayable services. Accordingly, all references to OST or the Board in this form PSA will refer to DOA,]

WHEREAS, in \_\_\_\_\_, OST, on behalf of itself and the Board, issued a formal Request for Proposals (the “RFP”) pursuant to the State Procurement Code seeking proposals from qualified banks to provide independent Merchant Services<sup>2</sup> advisory and consulting services to OST and the Board;

WHEREAS, OST and the Board desire to obtain from Vendor independent advisory and consulting services as set out in the Statement of Work on **Exhibit 1** to this Agreement;

WHEREAS, Vendor desires to provide such services to OST and the Board on the terms set forth in the Agreement;

WHEREAS, OST, on behalf of itself and the Board, and Vendor represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, OST and Vendor agree as follows:

**1. Services and Term.**

- 1.1. Vendor shall provide to OST, the Board and its committees those services as set forth herein and as specified on the Statement of Work attached hereto as **Exhibit 1** (collectively, the “Services”). Vendor shall provide all Services in accordance with the Project Schedule attached hereto as **Exhibit 3**, if applicable.
- 1.2. The initial term of this Agreement shall begin on the date this Agreement is fully executed, or as may be otherwise agreed upon by the parties, and shall extend for two years from that date. OST has three one-year extension options. OST, in its discretion, may exercise each option at any time prior to the expiration of the initial or extended term, as the case may be, subject only to Board approval of any such extension.
- 1.3. Vendor shall meet and confer with OST, the Board and/or any committee of the Board at such times and places as OST, the Board or a committee may reasonably request. Vendor, if requested by OST, shall participate in meetings with other State agencies concerning Banking Services related issues. Vendor shall keep OST staff informed of progress and provide updates on the status of the Services. This interface shall include regular telephone communication, exchange of written data and analysis and other interaction as requested by OST.

**2. Payment for Services and Expenses.**

- 2.1. OST will pay Vendor for the performance of Services in accordance with **Exhibit 2**. All payments to Vendor shall be made by Automated Clearing House transactions.

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<sup>2</sup> Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to such terms in the RFP.

- 2.2. OST's obligation to pay Vendor for the performance of Services will not exceed the annual fixed price and/or rates and limits set forth on **Exhibit 2**. Vendor is solely responsible for ensuring that all Services are completed for the agreed upon price and/or rates and within any applicable cap. Annual fees and/or rates shall be fixed for the initial term of the Agreement and, at OST's option, shall remain fixed for any extension period.
- 2.3. Unless otherwise agreed, all payments will be sent to Vendor's identified address on record with OST.
- 2.4. Vendor shall submit invoices to OST in arrears on a monthly basis. Services provided for a fixed annual price shall be prorated and billed monthly. OST agrees to pay undisputed amounts within 30 days of receipt. In the event that OST disputes all or any portion of an invoice, OST agrees to provide Vendor with a detailed statement of OST's position on the invoice, or disputed portion of the invoice, within 30 days of receipt.
- 2.5. All expenses incurred in the performance of the Services are Vendor's responsibility. Vendor shall not be reimbursed for any expenses incurred by Vendor in the performance of the Services, including, but not limited to, travel and lodging expenses, communications charges, and computer time and supplies.
- 2.6. OST shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable by Vendor as a consequence of this Agreement.
- 2.7. OST shall have the right to setoff or subtract from any payment to be made to Vendor all damages, costs and expenses caused by Vendor's breach of the Agreement, or Vendor's negligence, gross negligence or other tortious or illegal conduct in connection with the provision of Services hereunder, to the extent such damages, costs and expenses have not otherwise been reimbursed by Vendor.
- 2.8. Invoices shall be submitted electronically to OST's Director of Operations and Fund Management, Fiah M. Kwesseu at [fiah.kwesseu@delaware.gov](mailto:fiah.kwesseu@delaware.gov) with a copy to [treasury\\_banking\\_services@delaware.gov](mailto:treasury_banking_services@delaware.gov) and [Treasury\\_Accounts\\_Payable@delaware.gov](mailto:Treasury_Accounts_Payable@delaware.gov).
- 2.9. Pursuant to 29 *Del. C.* § 6982(b)(3), the original contract price and any additions thereto shall be adjusted to exclude significant sums if OST determines that the contract price was increased due to inaccurate, incomplete or noncurrent rates or costs. All such adjustments shall be made within 1 year following the end of the Agreement.

### 3. Project Schedule

- 3.1. If applicable, a preliminary project schedule is set out on **Exhibit 3 (if applicable)**. The parties shall work together to craft a final project schedule. The final project schedule shall be agreed upon and substituted as a replacement **Exhibit 3 (if applicable)** within 30 days from the date the Agreement is fully executed by the parties.
- 3.2. Any delay of Services or change in the sequence of Services, whether on the preliminary or final project schedule, must be approved in writing by OST.
- 3.3. In the event that Vendor fails to complete the Services or any portion thereof within the time specified in **Exhibit 3 (if applicable)**, or with such additional time as may be granted in writing by OST, or fails to perform any Service with such diligence as will insure its completion within the time specified in **Exhibit 3 (if applicable)**, or any extensions thereof, OST may suspend its obligation to make payment otherwise due under the Agreement until such time as the breach is cured or otherwise remedied to the reasonable satisfaction of OST.

#### 4. Responsibilities of Vendor.

- 4.1. Vendor shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all Services. In performing the Services, Vendor shall follow practices consistent with generally accepted professional and technical standards and comply with all applicable federal, state and local laws, ordinances, codes and regulations.
- 4.2. Vendor shall be responsible for ensuring that all Services and deliverables furnished pursuant to this Agreement comply with the standards promulgated by the State's Department of Technology and Information ("DTI") published at <http://dti.delaware.gov/technology-services/standards-and-policies/> and as modified from time to time by DTI during the term of this Agreement. If any Service or deliverable furnished pursuant to this Agreement does not conform to DTI standards, Vendor shall, at its expense and option either (a) replace it with a conforming equivalent or (b) modify it to conform to DTI standards. Vendor shall be liable and indemnify the State and its officers, employees and attorneys for all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees), incurred by the State or its agents or employees resulting from or attributable to Vendor's failure to comply with DTI standards and requirements.
- 4.3. [Reserved.]
- 4.4. Vendor shall execute and comply with DTI's Terms and Conditions Governing Cloud Services and Data Usage Agreement attached hereto as **Exhibit 4**.
- 4.5. Vendor shall be responsible for all security breaches caused by its employees and contract employees, its subcontractors, and the employees and contract employees of its subcontractors. Vendor shall indemnify and hold harmless the State and its officers, employees and attorneys from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State may offset against and subtract from any payment to be made to Vendor any damages, costs and expenses caused by any such breach.
- 4.6. Multifunction peripherals must be hardened when used or connected to the State's network.
- 4.7. Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, *etc.*) shall be disposed of in a manner corresponding to the classification of the stored information, up to and including physical destruction.
- 4.8. [Reserved.]
- 4.9. [Reserved.]
- 4.10. It shall be the duty of Vendor to assure that all Services and deliverables are technically sound and in conformance with all applicable federal, state and local statutes, codes, ordinances, resolutions and other regulations applicable to the Services. Vendor will not provide access to software, or produce work product, that violates or infringes on any copyright, trademark, patent or other intellectual property rights. Vendor shall, without additional compensation, correct or revise any errors or omissions in the software or work product and shall indemnify the State and its officers, employees and attorneys for all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees), incurred by the State or its officers, employees or attorneys resulting from or attributable to Vendor's failure to comply with this Section.
- 4.11. OST's review, approval, acceptance, or payment for any Services shall not be construed to operate as an admission or acknowledgement of any fact or circumstance, or a waiver of any rights under this Agreement or otherwise, and Vendor shall be and remain liable in accordance with the terms of this

Agreement and applicable law for all damages caused by Vendor's breach or negligent performance or failure to perform under this Agreement.

- 4.12. Vendor shall appoint a senior employee who will manage the performance of Services and act as the single point of contact to OST.
- 4.13. Upon receipt of written notice from OST that an employee of Vendor is unsuitable for good cause, Vendor shall remove such employee from the performance of Services and substitute in his/her place an employee suitable to OST.
- 4.14. Unless legally prohibited, Vendor shall promptly notify OST in writing of any investigation, examination or other proceeding involving Vendor, or any key personnel or designated staff of Vendor, including a contract employee or a subcontractor, or any key personnel or designated staff of a subcontractor, commenced by any regulatory or law enforcement agency and involving allegations of fraud or illegal conduct, or a data breach.
- 4.15. Vendor agrees that its senior employee and other key personnel or designated staff will cooperate with OST in the performance of Services and will be available for consultation with OST upon reasonable request.
- 4.16. [Reserved.]
- 4.17. [Reserved.]
- 4.18. Vendor has or will retain such employees as it may need to perform the Services.
- 4.19. Vendor will not use OST's, the Board's or the State's name, either express or implied, in any of its advertising or sales materials without OST's prior written consent.
- 4.20. Vendor represents that it is properly licensed, registered and authorized to transact business and perform Services in the State.
- 4.21. Vendor will provide to OST audited or unaudited financial statements, as requested by OST.
- 4.22. Vendor shall be independent and shall provide advice and recommendations to OST and the Board free of any conflicts of interest and solely in the best interest of the State.

## **5. OST Responsibilities/Representations.**

- 5.1. OST agrees that its officers and employees will cooperate with Vendor in the performance of Services and will be available for consultation with Vendor upon reasonable request.
- 5.2. OST shall pay for the Services as provided on **Exhibit 2**, subject to review for compliance with and the terms of this Agreement.

## **6. Ownership of Work Product and Data and Documents.**

- 6.1. All materials, information, documents, reports and other work product, whether finished, unfinished, or draft, developed, prepared or completed by Vendor relating to the Agreement shall become the property of the State and shall be delivered upon request by OST. The State shall have the right to reproduce and disclose all work product related to this Agreement. The State's rights under this Section shall survive termination of the Agreement.

- 6.2. The State shall have and retain title and interest to all data and documents related to this Agreement, including Vendor work product and data and documents electronically stored by Vendor. Upon termination of the Agreement, and for a period of six (6) months thereafter, OST shall have the right to request and shall, at OST's option and at Vendor's expense, be provided with copies of all data and documents electronically stored by Vendor related to the Agreement. Promptly after such six (6) month period, all State data and documents shall be destroyed or retained in accordance with Section 7.8.

## **7. Confidential Information of the State.**

- 7.1. "Confidential Material," as used herein, means all documents and data that contain confidential commercial, financial, consumer, or other confidential information of the State, whether or not such agreements or other documents are marked "confidential" or otherwise designated as confidential by OST.
- 7.2. Confidential Material shall be used by Vendor solely for purposes of executing its duties and obligations under the Agreement. Vendor may disclose Confidential Material only to those Vendor employees who have a need to access Confidential Material in the scope of their employment for Vendor, and who have been informed, understand and acknowledge in writing that Confidential Material is highly sensitive and confidential and must be held in strictest confidence.
- 7.3. Confidential Material shall not be copied or reproduced without the express written permission of OST, except for such copies as may reasonably be required for Vendor to execute its duties and obligations under the Agreement. Except as contemplated by the Agreement, Vendor shall not store or aggregate in a data base or other electronic storage means any Confidential Material; provided, however, that Vendor is permitted to store Confidential Material in physical or electronic files in accordance with this Section 7 while executing its duties under the Agreement and for a reasonable period of time thereafter, after which the Confidential Materials, including all physical and electronic copies, shall be destroyed or retained in accordance with Section 7.8.
- 7.4. Except as expressly permitted in this Section 7, Confidential Material shall not be disclosed to any individuals or third parties without the prior written consent of OST, unless such disclosure is required by law. Vendor shall immediately notify OST in writing of Vendor's receipt of a court order, subpoena or discovery requests seeking or ordering the production, disclosure or inspection of any Confidential Material. Vendor shall, at the request of OST, object to any such order, subpoena or discovery and shall take all other measures that may reasonably be necessary to protect against the unwarranted production, disclosure or inspection of Confidential Material. In the event disclosure of Confidential Material is compelled or otherwise required by law, Vendor shall mark all documents submitted in connection with any such disclosure so as to indicate the confidential nature of the material and OST's interest therein.
- 7.5. This Section 7 shall not restrict the disclosure or use of Confidential Material that:
  1. is in the public domain at the time of disclosure or thereafter enters the public domain through no breach of the Agreement;
  2. is in the possession of Vendor without restrictions when received;
  3. has been lawfully obtained or is lawfully obtainable without restrictions from a source other than OST, the Board or the State through no breach of the Agreement;
  4. has been developed independently by Vendor and without reliance upon Confidential Material.
- 7.6. Vendor shall take reasonable steps to restrict access to and otherwise safeguard the confidentiality and integrity of Confidential Material at all times, including, without limitation, the implementation of

electronic security procedures and other measures designed to ensure that all Confidential Material is properly stored, and password protected at all times.

- 7.7. Vendor shall immediately disclose to OST the discovery of any security breach or suspicious intrusion involving Confidential Material and shall identify the type and amount of Confidential Material that was compromised or disclosed.
- 7.8. Within six (6) months from the termination of the Agreement, all Confidential Material, regardless of form, shall be permanently deleted or destroyed in accordance with all applicable law, orders, rules and regulations and industry best practices. Any electronic data or documents deleted under this Section 7.8 shall be permanently deleted and shall not be recoverable, according to the National Institute of Standards and Technology's approved methods. If requested, Vendor shall provide a destruction certificate to OST listing the type and contents of electronic records or physical documents destroyed or permanently deleted under this Section 7.8. Notwithstanding the foregoing, Vendor may, subject to Vendor's confidentiality obligations under this Agreement, retain copies of State data and documents to the extent required by applicable state or federal law, regulations, rules, or orders or Vendor's document retention policy.
- 7.9. The State shall have no obligation to disclose Confidential Material. OST may, in its discretion, provide or refuse to provide Confidential Material requested by Vendor.
- 7.10. Vendor understands and agrees that the State may suffer irreparable harm in the event that Vendor fails to comply with its obligations hereunder and that monetary damages may not be adequate to compensate the State for such breach. Vendor agrees that the State, in addition to other remedies available to it at law or in equity for actual damages, shall be entitled to seek injunctive relief to enforce the terms of this Section 7.
- 7.11. Vendor's confidentiality obligations shall survive termination of the Agreement.

## **8. Warranty.**

- 8.1. Vendor agrees to correct or re-perform any Services not in compliance with this Agreement in a timely manner.
- 8.2. Third-party products within the scope of this Agreement, if any, are warranted solely under the terms and conditions of the licenses or other agreements by which such products are governed. With respect to all third-party products and services purchased by Vendor in connection with the provision of the Services, if any, Vendor shall pass through or assign to the State all rights Vendor obtains from the manufacturers and/or vendors of such products and services (including warranty and indemnification rights), to the extent that such rights are assignable.

## **9. Indemnification; Limitation of Liability.**

- 9.1. Vendor shall indemnify and hold harmless OST, the Board, the State and their respective officers, members, employees and attorneys ("Indemnified Parties") from any and all liability, suits, actions, claims or damages, together with all reasonable costs and expenses (including attorneys' fees), arising out of Vendor's breach of the Agreement, or the negligent, reckless, intentional or other tortious, fraudulent, illegal, or unlawful conduct of Vendor or any subcontractor, or their respective officers, employees, contract employees or agents, arising out of or related to this Agreement ("Claims").
- 9.2. If OST notifies Vendor in writing of a Claim against an Indemnified Party, including, without limitation, any Claim based on Vendor's disclosure of or failure to safeguard any personal financial or other Confidential Material, Vendor will defend such Claim at Vendor's expense if so requested

by OST, in OST's sole discretion. Vendor will pay any costs or damages that may be finally awarded against an Indemnified Party.

- 9.3. Except for fees that may be due and owing as set forth in Section 2 above and **Exhibit 2** hereto, and notwithstanding anything to the contrary in this Agreement, neither OST, the Board or the State, nor any officers, members, employees or attorneys of the foregoing, shall have any liability to Vendor or any other party for fees (including attorneys' fees), expenses, suits, actions, claims or damages, whether direct or indirect, compensatory or punitive, actual or consequential, in or for actions, claims, causes of action or rights, including alleged indemnification rights, arising out of or related in any way to this Agreement.
- 9.4. Notwithstanding anything to the contrary herein, no provision of this Agreement shall constitute or be construed as an indemnification obligation in favor of Vendor, or a waiver or limitation of any right of OST, the Board or the State that may exist under applicable law.
- 9.5. Notwithstanding anything to the contrary herein, to the extent available under applicable law, OST, the Board and the State, and their respective officers, members, employees and attorneys, expressly reserve all rights, claims, arguments, defenses and immunities, including, without limitation, claims or defenses based on sovereign immunity, qualified immunity and other statutory or common law rights, claims, defenses or immunities; provided, however, that Vendor shall have the right to seek to enforce this Agreement in the courts of this State.

## **10. Insurance.**

- 10.1. Vendor shall maintain the following insurance during the term of this Agreement:
  - a. Worker's compensation and employer's liability insurance in accordance with applicable law;
  - b. Comprehensive general liability - \$1,000,000 per occurrence/\$3,000,000 per aggregate;
  - c. Professional liability - \$5,000,000 per occurrence/\$5,000,000 per aggregate;
  - d. Automotive liability insurance covering all automotive units used in the work with limits of not less than \$100,000 for each person and \$300,000 for each accident as to bodily injury and \$25,000 as to property damage to others; and
  - e. Cyber Liability – Vendor must maintain cyber security liability insurance coverage with limits of \$[in an amount TBD] aggregate for loss resulting from a data breach. The policy shall be issued by an insurance company with an A.M. Best Rating of A-VII and shall remain in place for the term of the Agreement. At a minimum, the policy must include third-party coverage for credit monitoring, notification costs to data breach victims, and regulatory penalties and fines (to the extent insurable). Vendor shall be responsible for any deductible or self-insured retention contained in the insurance policy.
  - f. Excess/Umbrella policy - Excess/Umbrella \$[ in an amount TBD] total (sits above underlying worker's compensation and employer's liability, general liability, and automotive liability).
- 10.2. Should any of the above-described policies be cancelled before the expiration date thereof, notice will be delivered to OST.
- 10.3. Before any work is performed pursuant to this Agreement, certificate of insurance and/or copies of the insurance policies specified in Section 10.1 shall be provided to OST. The certificate holder is as follows:

**Office of the State Treasurer  
820 Silver Lake Blvd., Suite 100  
Dover, DE 19904**

- 10.4. In no event shall OST, the Board or the State, or their respective officers, members, employees or attorneys, be named as an additional insured on any policy required under this Agreement.

**11. Independent Contractor.**

- 11.1. It is understood that in the performance of the Services, Vendor is an independent contractor, not an agent or employee of OST, the Board or the State, and shall furnish such Services in its own manner and method, except as required by this Agreement.
- 11.2. Vendor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Vendor in the performance of the Services; provided, however, that Vendor will, subject to scheduling and staffing considerations, attempt to honor OST's request for specific individuals.
- 11.3. Vendor shall be solely responsible for, and shall indemnify, defend and hold OST, the Board and the State, and their respective officers, members, employees and attorneys, harmless from all matters relating to the payment of Vendor's employees, contract employees, subcontractor or subcontractor's employees, including compliance with Social Security withholding and all other wages, salaries, benefits and taxes of any nature whatsoever.
- 11.4. Vendor acknowledges that Vendor and any agents or employees employed or contracted by Vendor shall not, under any circumstances, be considered employees of OST, the Board or the State, and that they shall not be entitled to any of the compensation, benefits or rights afforded employees of the State, including, but not limited to, sick leave, vacation leave, holiday pay, pension benefits, and health, life, dental, long-term disability and workers' compensation insurance benefits.
- 11.5. Vendor shall be responsible for providing liability insurance for its personnel and agents.
- 11.6. As an independent contractor, Vendor has no authority to bind or commit OST, the Board or the State. Nothing herein shall be deemed or construed to create a joint venture, partnership, or fiduciary or agency relationship between the parties for any purpose.

**12. Suspension.**

- 12.1. OST may for any reason suspend performance by Vendor under this Agreement for such period of time as OST, in its discretion, may prescribe by providing written notice to Vendor. Upon receipt of such notice, Vendor shall not perform further work under this Agreement until Vendor's receipt of written notice from OST to resume performance.
- 12.2. OST shall pay Vendor compensation earned through the effective date of suspension, less all previous payments and subject to any rights of offset or recoupment that OST or the State may have against Vendor.

**13. Termination.**

- 13.1. This Agreement may be terminated by either party for default, which shall mean the failure of the other party to fulfill a material obligation under this Agreement, through no fault of the terminating party, but only after the other party is given:
- a. Not less than 14 calendar days' written notice of intent to terminate; and

- b. An opportunity for consultation with the terminating party prior to termination.
- 13.2. This Agreement may be terminated in whole or in part by OST for its convenience, but only after Vendor is given 30 calendar days' written notice of intent to terminate.
- 13.3. If termination is effected, OST will pay Vendor that portion of compensation earned for Services provided as of the effective date of termination, but:
- a. No amount shall be allowed for anticipated profit on unperformed Services or other work;
  - b. Any payment due to Vendor at the time of termination may be adjusted or reduced to the extent of the State's offset or recoupment rights; and
  - c. In the event Vendor ceases conducting business, OST shall have the right to make an unsolicited offer of employment to any officers or employees of Vendor.
- 13.4. In connection with any notice issued under this Section 13, OST may immediately retain another vendor to perform the Services. Vendor shall at all times cooperate in the transition and shall perform such Services and additional services as OST shall determine are necessary or appropriate to enable the transition of work to a successor vendor or vendors. Vendor's obligation to provide transition services shall survive termination and shall continue until such date as is communicated in writing to Vendor that such Services or additional services are no longer needed.
- 13.5. If after termination for breach it is determined that Vendor has not so failed, the termination shall be deemed to have been effected for convenience.
- 13.6. The termination of this Agreement shall not terminate indemnification or confidentiality rights or obligations, or any other rights or obligations that are intended to or customarily extend beyond termination.
- 13.7. The rights and remedies of OST provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.
- 13.8. Gratuities.
- a. OST may, by written notice to Vendor, terminate this Agreement without liability if it is found that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Vendor or any agent or representative of Vendor to any officer or employee of OST, the Board or the State with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of any determinations with respect to the performance of this Agreement.
  - b. In the event this Agreement is terminated as provided in Section 13.8.a, the State shall be entitled to pursue the same remedies against Vendor it could pursue in the event of a breach of this Agreement by Vendor.
  - c. The rights and remedies of OST, the Board and the State provided in Section 13.8 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- 13.9. Validity and enforcement of this Agreement is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. If such funds are not so appropriated, (a) OST may immediately terminate this Agreement without liability, and (b) the Agreement shall be

terminated without liability as to any obligation of OST requiring the expenditure of money for which no specific appropriation is available.

#### **14. Assignment; Subcontracts.**

- 14.1. Any attempt by Vendor to assign or otherwise transfer any interest in this Agreement without the prior written consent of OST shall be void.
- 14.2. Vendor's employees shall perform all Services, unless OST consents in writing to Vendor's request to use temporary staff, independent contractors or a subcontractor. Neither approval by OST of any such request, nor OST's acceptance of any software, deliverable or payment of any invoice, shall relieve Vendor of responsibility for the professional and technical accuracy and adequacy of the Services. All temporary staff, independent contractors and subcontractors shall adhere to and be bound by the terms of this Agreement, including all exhibits.
- 14.3. Vendor shall be and remain liable for all damages to OST, the Board and the State caused by the negligent performance or non-performance of work under this Agreement by any use temporary staff, independent contractors or a subcontractor.
- 14.4. The compensation otherwise due to Vendor pursuant to **Exhibit 2** shall not be affected by OST's approval of Vendor's request to use temporary staff, independent contractors or a subcontractor.

#### **15. Complete Agreement.**

- 15.1. This Agreement and its exhibits, which are incorporated herein by reference, shall constitute the entire Agreement between OST and Vendor with respect to the subject matter of this Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of this Agreement supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement. Notwithstanding the foregoing, or any other provision of this Agreement, all oaths, representations and warranties made by Vendor through participation in the RFP process, including, without limitation, all written representations made by Vendor in Vendor's proposal concerning Vendor's experience and capabilities, shall survive execution and become part of the Agreement.
- 15.2. If the scope of any provision of this Agreement is too broad in any respect to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.
- 15.3. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.
- 15.4. Each exhibit to this Agreement, except as its terms otherwise expressly provide, shall be a complete statement of its subject matter and shall supplement, modify and supersede the terms and conditions of this Agreement. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the parties hereto with respect to the subject matter of this Agreement.

#### **16. Miscellaneous Provisions.**

- 16.1. Except for fees that may be due and owing as set forth in Section 2 above and **Exhibit 2** hereto, Vendor shall solely bear the costs incurred in the performance of this Agreement.
- 16.2. Neither this Agreement nor any exhibit may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom enforcement is sought.
- 16.3. The delay or failure by either party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 16.4. Vendor covenants that it presently has no interest, and that it will not acquire any interest, direct or indirect, that conflicts or would conflict in any manner or degree with the performance of Services required under this Agreement. Vendor further covenants that Vendor has disclosed and adequately described all direct ownerships interests in, or any reseller, consulting or other business relationships with, a Banking Services vendor as of the date of this Agreement. Vendor will immediately notify OST of any material changes to such disclosures and descriptions and any other ownership interests in or relationships with a Banking vendor that arise during the term of the Agreement, including any extension period.
- 16.5. Vendor acknowledges that OST, the Board and the State have obligations to ensure that public funds and resources are not used to subsidize private discrimination. Vendor recognizes that its refusal to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, may result in OST declaring Vendor in breach of the Agreement, terminating the Agreement without liability and/or taking such additional action as may be warranted under the circumstances.
- 16.6. Vendor warrants that no person or entity has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, OST shall have the right to terminate this Agreement without liability.
- 16.7. This Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in favor of either party.
- 16.8. At the option of OST, the parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between officials or executives who have authority to settle the controversy. All offers, promises, conduct and statements, in each case relating to dispute resolution, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible in any proceeding involving the parties; provided, however, that evidence that is otherwise admissible or discoverable may not be rendered inadmissible merely because it was the subject of discussion in the course of negotiation.
- 16.9. Any disputes, claims or controversies arising out of or relating to this Agreement that are not resolved through resolution pursuant to Section 16.8, may be submitted to mediation if OST so elects. Any such proceedings held pursuant to this provision shall be governed by the State's laws, and venue shall be in this State. The parties shall maintain the confidential nature of the proceedings and shall keep the terms of any resulting settlement or award confidential to the extent permissible under applicable law. Each party shall bear its own costs of mediation, including attorneys' fees and half of the mediator's fees and expenses.

- 16.10. The rights and remedies of OST and the State provided for in this Agreement are in addition to any other rights and remedies provided by law or at equity.
- 16.11. Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance of its obligations under this Agreement when such delays or defective performance arise out of causes beyond the reasonable control and without the negligence or willful misconduct of the party.
- 16.12. This Agreement, including all exhibits, and its contents, including pricing information, is a public document subject to mandatory disclosure under the State's Freedom of Information Act, 29 *Del. C.* § 10001-10007. In the event that OST is required by law (any statute, governmental rule or regulation, or judicial or governmental order, judgment or decree) to disclose to the public any information or document reasonably designated as "confidential" by Vendor, OST will, to the extent reasonably practicable, give Vendor prior written notice of such disclosure or potential disclosure.
- 16.13. The provisions of this Agreement are for the sole benefit of the parties hereto. This Agreement confers no rights, benefits or claims upon any person or entity not a party hereto, including any permitted independent contractor or subcontractor approved by OST.
- 16.14. The terms of the RFP and any addenda or answers to RFP questions (the "RFP Documents") are incorporated herein by reference and govern the Services and Vendor except to the extent the terms of the RFP Documents conflict with the terms of this Agreement. When construing or interpreting the Agreement (a) the terms of the exhibits shall control and take precedence over the main text of the Agreement; and (b) the terms of the Agreement, including all exhibits, shall control and take precedence over the RFP Documents.

#### **17. Assignment of Antitrust Claims.**

As consideration for the award and execution of this Agreement by OST, Vendor hereby grants, conveys, sells, assigns and transfers to the State all of Vendor's right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States or this State relating to the Services and other work product purchased or acquired by OST, the Board or the State pursuant to this Agreement.

#### **18. Governing Law.**

This Agreement shall be governed by and construed in accordance with Delaware law, without regard to conflict of laws rules or principles. Vendor consents to jurisdiction and venue in this State.

#### **19. Notices.**

Any and all notices required by the provisions of this Agreement shall be in writing and shall be mailed, certified or registered mail, return receipt requested. All notices shall be sent electronically to the following addresses:

If to OST:  
Attn:

If to Vendor:  
Attn:

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be duly executed as of the date indicated below.

**STATE OF DELAWARE, by and through the  
OFFICE OF THE STATE TREASURER, on  
behalf of the CASH MANAGEMENT POLICY  
BOARD**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**[VENDOR]**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

The following two exhibits are attached and shall be considered part of this Agreement:

- **Exhibit 1 – Statement of Work**
- **Exhibit 2 – Fee Schedule**
- **Exhibit 3 – Project Schedule**
- **Exhibit 4 – DTI Terms and Conditions Governing Cloud Services and Data Usage Agreement**

**Exhibit 1: Statement of Work<sup>3</sup>**  
**[To be negotiated.]**

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<sup>3</sup> Terms used but not defined in the exhibits to this Agreement shall have the meanings ascribed to such terms in the Agreement.

**Exhibit 2: Fee Schedule**  
**[To be negotiated.]**

**Exhibit 3- Project Schedule**  
**[To be negotiated.]**

**Exhibit 4 –**

**DTI Terms and Conditions Governing Cloud Services and Data Usage Agreement**



**PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE**

**State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement**

Contract/Agreement # \_\_\_\_\_, Appendix \_\_\_\_\_

between State of Delaware and \_\_\_\_\_ dated \_\_\_\_\_

This document shall become part of the final contract.

Insurance	Public Data	Non Public Data	
1	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Data Ownership:</b> The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The PROVIDER shall not access State of Delaware user accounts, or State of Delaware data, except (i) in the course of data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware’s written request. All information obtained or generated by the PROVIDER under this contract shall become and remain property of the State of Delaware.</p>
2	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Data Usage:</b> The PROVIDER shall comply with the following conditions. At no time will any information, belonging to or intended for the State of Delaware, be copied, disclosed, or retained by PROVIDER or any party related to PROVIDER for subsequent use in any transaction. The PROVIDER will take reasonable steps to limit the use of, or disclosure of, and requests for, confidential State data to the minimum necessary to accomplish the intended purpose under this agreement. PROVIDER may not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service. Protection of Personally Identifiable Information (PII, as defined in the <a href="#">State’s Terms &amp; Conditions Governing Cloud Services policy</a>), privacy, and sensitive data shall be an integral part of the business activities of the PROVIDER to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. The PROVIDER shall safeguard the confidentiality, integrity, and availability of State information. No party related to the PROVIDER or contracted by the PROVIDER may retain any data for subsequent use in any transaction that has not been expressly authorized by the State of Delaware.</p>
3	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Termination and Suspension of Service:</b> In the event of termination of the contract, PROVIDER shall implement an orderly return of State of Delaware data in CSV, XML, or another mutually agreeable format. The PROVIDER shall guarantee the subsequent secure disposal of State of Delaware data.</p> <p>a) Suspension of services: During any period of suspension, contract negotiation, or disputes, the PROVIDER shall not take any action to intentionally erase any State of Delaware data.</p>

**PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE**

**State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement**

Contract/Agreement # \_\_\_\_\_, Appendix \_\_\_\_\_  
 between State of Delaware and \_\_\_\_\_ dated \_\_\_\_\_

This document shall become part of the final contract.

Insurance	Public Data	Non Public Data	
			<p>b) Termination of any services or agreement in entirety: In the event of termination of any services or agreement in entirety, the PROVIDER shall not take any action to intentionally erase any State of Delaware data for a period of ninety (90) days after the effective date of the termination. All obligations for protection of State data remain in place and enforceable during this 90-day period. After such 90-day period has expired, the PROVIDER shall have no obligation to maintain or provide any State of Delaware data and shall thereafter, unless legally or contractually prohibited, dispose of all State of Delaware data in its systems or otherwise in its possession. Within this 90-day timeframe, the PROVIDER will continue to secure and back up State of Delaware data covered under the contract.</p> <p>c) Post-Termination Assistance: The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement.</p> <p>d) Secure Data Disposal: When non-public data is provided by the State of Delaware, the PROVIDER shall destroy all requested data in all of its forms (e.g., disk, CD/DVD, backup tape, paper). Data shall be permanently deleted, and shall not be recoverable, in accordance with National Institute of Standards and Technology (NIST) approved methods after ninety (90) days of the contract termination. The PROVIDER shall provide written <a href="#">certificates of destruction</a> to the State of Delaware.</p>
4		<input type="checkbox"/>	<p><b>Data Location:</b> The PROVIDER shall not store, process, or transfer any non-public State of Delaware data outside of the United States, including for back-up and disaster recovery purposes. The PROVIDER will permit its personnel and subcontractors to access State of Delaware data remotely only as required to provide technical or call center support.</p>
5		<input type="checkbox"/>	<p><b>Encryption:</b> The PROVIDER shall encrypt all non-public <b>data in transit</b> regardless of the transit mechanism. For engagements where the PROVIDER stores sensitive personally identifiable or otherwise confidential information, this data shall be <b>encrypted at rest</b>. The PROVIDER’s encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology <a href="#">FIPS140-2</a>, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the PROVIDER cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage for any</p>

**PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE**

**State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement**

Contract/Agreement # \_\_\_\_\_, Appendix \_\_\_\_\_  
 between State of Delaware and \_\_\_\_\_ dated \_\_\_\_\_

This document shall become part of the final contract.

Insurance	Public Data	Non Public Data	
			loss resulting from a data breach in accordance with the <a href="#">Cloud and Offsite Hosting Policy</a> . See section 11.
<b>6</b>		<input type="checkbox"/>	<p><b>Breach Notification and Recovery:</b> The PROVIDER must notify the State of Delaware at <a href="mailto:eSecurity@delaware.gov">eSecurity@delaware.gov</a> immediately or within 24 hours of any determination of the breach of security as defined in 6 Del. C. §12B-101(2) resulting in the destruction, loss, unauthorized disclosure, or alteration of State of Delaware data. The PROVIDER shall send a preliminary written report detailing the nature, extent, and root cause of any such data breach no later than two (2) business days following notice of such a breach. The PROVIDER will continue to send any and all reports subsequent to the preliminary written report. The PROVIDER shall meet and confer with representatives of DTI regarding required remedial action in relation to any such data breach without unreasonable delay. If data is not encrypted (<i>see</i> CS3, below), Delaware Code (6 Del. C. §12B-100 et seq.) requires public breach notification of any incident resulting in the loss or unauthorized disclosure of Delawareans’ Personally Identifiable Information (PII, as defined in <a href="#">Delaware’s Terms and Conditions Governing Cloud Services policy</a>) by PROVIDER or its subcontractors. The PROVIDER will assist and be responsible for all costs to provide notification to persons whose information was breached without unreasonable delay but not later than sixty (60) days after determination of the breach, except 1) when a shorter time is required under federal law; 2) when law enforcement requests a delay; or 3) reasonable diligence did not identify certain residents, in which case notice will be delivered as soon as practicable. All such communication shall be coordinated with the State of Delaware. Should the PROVIDER or its contractors be liable for the breach, the PROVIDER shall bear all costs associated with investigation, response, and recovery from the breach. This includes, but is not limited to, credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll-free telephone call center services. The State will retain all determining authority for breach accountability and responsibility. The State of Delaware shall not agree to any limitation on liability that relieves the PROVIDER or its subcontractors from its own negligence, or to the extent that it creates an obligation on the part</p>

**PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE**

**State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement**

Contract/Agreement # \_\_\_\_\_, Appendix \_\_\_\_\_

between State of Delaware and \_\_\_\_\_ dated \_\_\_\_\_

This document shall become part of the final contract.

Insurance	Public Data	Non Public Data	
			of the State to hold a PROVIDER harmless. The PROVIDER shall not issue a media notice without the approval of the State.
7		<input type="checkbox"/>	<b>Background Checks:</b> The PROVIDER must warrant that they will only assign employees and subcontractors who have passed a federally compliant (IRS Pub 1075 2.C.3) criminal background check. The background checks must demonstrate that staff, including subcontractors, utilized to fulfill the obligations of the contract, have no convictions, pending criminal charges, or civil suits related to any crimes of dishonesty. This includes but is not limited to criminal fraud, or any conviction for any felony or misdemeanor offense for which incarceration for a minimum of one (1) year is an authorized penalty. The PROVIDER shall promote and maintain an awareness of the importance of securing the State's information among the PROVIDER's employees and agents. Failure to obtain and maintain all required criminal history may be deemed a material breach of the contract and grounds for immediate termination and denial of further work with the State of Delaware.
8		<input type="checkbox"/>	<b>Security Logs and Reports:</b> The PROVIDER shall allow the State of Delaware access to system security logs that affect this engagement, its data, and or processes. This includes the ability for the State of Delaware to request a report of the records that a specific user accessed over a specified period of time.
9		<input type="checkbox"/>	<b>Sub-contractor Flowdown:</b> The PROVIDER shall be responsible for ensuring its subcontractors' compliance with the security requirements stated herein.
10		<input type="checkbox"/>	<b>Contract Audit:</b> The PROVIDER shall allow the State of Delaware to audit conformance including contract terms, system security, and data centers, as appropriate. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense. Such reviews shall be conducted with at least thirty (30) days advance written notice and shall not unreasonably interfere with the PROVIDER's business. In lieu of performing its own audit, the State may request the results of a third party audit from the PROVIDER or an attestation of compliance.
11		<input type="checkbox"/>	<b>Cyber Liability Insurance:</b> An awarded vendor unable to meet the <a href="#">Terms and Conditions Governing Cloud Services and Data Usage Policy</a> requirement of encrypting PII at rest shall, prior to execution of a contract, present a valid certificate of cyber liability insurance at the levels indicated below. Further, the awarded vendor shall ensure the insurance remains valid for the entire term of the contract, inclusive of any term extension(s). Levels of cyber liability



**DEPARTMENT OF TECHNOLOGY AND INFORMATION**

d., Dover, DE 19904

**PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE**

**State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement**

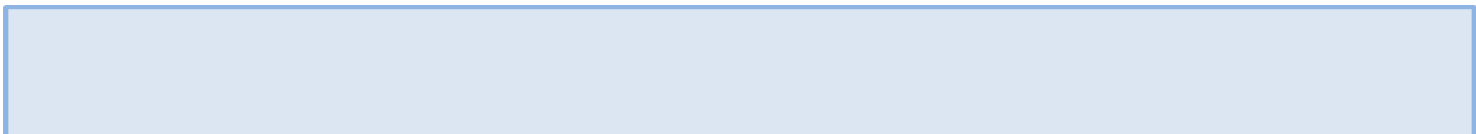
Contract/Agreement # \_\_\_\_\_, Appendix \_\_\_\_\_

between State of Delaware and \_\_\_\_\_ dated \_\_\_\_\_

This document shall become part of the final contract.

Insurance	Public Data	Non Public Data																						
			<p>insurance required are based on the number of PII records anticipated to be housed within the solution at any given point in the term of the contract. Should the actual number of PII records exceed the anticipated number, it is the vendor’s responsibility to ensure that sufficient coverage is obtained (see table below). In the event that vendor fails to obtain sufficient coverage, vendor shall be liable to cover damages up to the required coverage amount.</p> <table border="1" data-bbox="561 1010 1572 1524"> <thead> <tr> <th data-bbox="561 1010 680 1163">Level</th> <th data-bbox="680 1010 1105 1163">Number of PII records</th> <th data-bbox="1105 1010 1572 1163">Level of cyber liability insurance required (occurrence = data breach)</th> </tr> </thead> <tbody> <tr> <td data-bbox="561 1163 680 1222">1</td> <td data-bbox="680 1163 1105 1222">1-10,000</td> <td data-bbox="1105 1163 1572 1222">\$2,000,000 per occurrence</td> </tr> <tr> <td data-bbox="561 1222 680 1281">2</td> <td data-bbox="680 1222 1105 1281">10,001 – 50,000</td> <td data-bbox="1105 1222 1572 1281">\$3,000,000 per occurrence</td> </tr> <tr> <td data-bbox="561 1281 680 1339">3</td> <td data-bbox="680 1281 1105 1339">50,001 – 100,000</td> <td data-bbox="1105 1281 1572 1339">\$4,000,000 per occurrence</td> </tr> <tr> <td data-bbox="561 1339 680 1398">4</td> <td data-bbox="680 1339 1105 1398">100,001 – 500,000</td> <td data-bbox="1105 1339 1572 1398">\$15,000,000 per occurrence</td> </tr> <tr> <td data-bbox="561 1398 680 1457">5</td> <td data-bbox="680 1398 1105 1457">500,001 – 1,000,000</td> <td data-bbox="1105 1398 1572 1457">\$30,000,000 per occurrence</td> </tr> <tr> <td data-bbox="561 1457 680 1524">6</td> <td data-bbox="680 1457 1105 1524">1,000,001 – 10,000,000</td> <td data-bbox="1105 1457 1572 1524">\$100,000,000 per occurrence</td> </tr> </tbody> </table>	Level	Number of PII records	Level of cyber liability insurance required (occurrence = data breach)	1	1-10,000	\$2,000,000 per occurrence	2	10,001 – 50,000	\$3,000,000 per occurrence	3	50,001 – 100,000	\$4,000,000 per occurrence	4	100,001 – 500,000	\$15,000,000 per occurrence	5	500,001 – 1,000,000	\$30,000,000 per occurrence	6	1,000,001 – 10,000,000	\$100,000,000 per occurrence
Level	Number of PII records	Level of cyber liability insurance required (occurrence = data breach)																						
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6	1,000,001 – 10,000,000	\$100,000,000 per occurrence																						

The terms of this Agreement shall be incorporated into the aforementioned contract. Any conflict between this Agreement and the aforementioned contract shall be resolved by giving priority to this Agreement. By signing this Agreement, the PROVIDER agrees to abide by the following applicable Terms and Conditions:



FOR OFFICIAL  a1-3 (Public Data)  
USE ONLY  1-11 (Non-Public Data)

**Provider Name/Address (print):** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Provider Authorizing Official Name (print):** \_\_\_\_\_

**Provider Authorizing Official Signature:** \_\_\_\_\_

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

## APPENDIX C: Cash Management Policy Board Guidelines

CONTRACT NUMBER: TRE25101-BANKINGSVC

### STATEMENT OF OBJECTIVES AND GUIDELINES FOR THE INVESTMENT OF STATE OF DELAWARE FUNDS

#### 1.0 Statutory Authorization

**1.1 Role of the Cash Management Policy Board.** The Cash Management Policy Board ("Board") was created by 63 Del. Laws, ch. 142, to establish policies (a) for the investment of all money belonging to the State or on deposit from its political subdivisions, other than money deposited in any State Pension Fund or the State Deferred Compensation Program, ("State Funds") and (b) to determine the terms, conditions, and other matters relating to those investments including the designation of permissible investments.

**1.2 Role of the Office of the State Treasurer.** The investment of State Funds is to be made by the Office of the State Treasurer ("OST") in accordance with the objectives and guidelines outlined herein ("Guidelines"); provided, however, that the Board, by majority vote, may authorize OST to depart from the Guidelines.

**21 DE Reg. 968 (06/01/18)**

**23 DE Reg. 584 (01/01/20)**

#### 2.0 Accounts

**2.1 Designation of Accounts.** For purposes of these Guidelines, State Funds are to be allocated and held in a variety of accounts as outlined below ("Accounts"):

2.1.1 **Collection and Disbursement Accounts.** Cash required to meet the State's anticipated near-term operating requirements is to be held in "Collection and Disbursement Accounts." These accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 5.0 below by qualified financial institutions ("Cash Management Banks") selected by the Board through a competitive bid process.

2.1.2 **Liquidity Accounts.** Cash not required for the State's near-term operating requirements but readily available for anticipated funding needs of the State will be held in "Liquidity Accounts." State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 6.0 below by qualified investment managers ("Liquidity Managers") selected by the Board through a competitive bid process.

2.1.3 **Reserve Accounts.** Cash that is not anticipated to be needed for the State's near-term operating requirements or funding needs, but can be made available for unanticipated needs is to be held in "Reserve Accounts". State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 7.0 below by qualified investment managers ("Reserve Managers") selected by the Board through a competitive bid process.

2.1.4 **Endowment Accounts.** "Endowment Accounts" consist of State Funds set-aside for specified legislative purposes with the intent of growing the corpus of such funds over time. State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 8.0 below by qualified investment managers selected by the Board through a competitive bid process ("Endowment Managers").

2.1.5 **Operating Accounts.** "Operating Accounts" consist of State Funds set aside for specified purposes to be made available as and when required to meet such purposes. State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 9.0

below by Liquidity Managers or such other financial institutions as determined by the Board.

2.1.6 **Settlement Accounts.** “Settlement Accounts” consist of State Funds that have been deposited into a demand deposit account at a Merchant Bank following the processing of a debit or credit card transaction. Cleared amounts deposited to the Settlement Accounts, net of merchant processor and related fees, shall be transmitted via ACH to a Collection and Disbursement Account within two business days after deposit. Settlement Accounts shall be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 10.0 below. The term “Merchant Bank” means a qualified financial institution approved by the Board to maintain a Settlement Account.

**2.2 List of Accounts.** OST shall maintain on its website a current listing of all Accounts and the Cash Management Banks, Merchant Banks, Liquidity Managers, Reserve Managers, and Endowment Managers approved by the Board to manage State Funds in such Accounts.

**23 DE Reg. 584 (01/01/20)**

**24 DE Reg. 716 (01/01/21)**

### **3.0 Allocation of State Funds**

**3.1 General Allocation.** The Board is responsible for setting the policy as to the allocation of State Funds among the Accounts (29 Del.C. §2716(a)(2)).

#### **3.2 Allocation among Accounts**

3.2.1 **Cash Accounts.** Unless otherwise determined by the Board, OST shall use its discretion to allocate State Funds among the Collection and Disbursement Accounts, Liquidity Accounts, and Reserve Accounts (collectively, “Cash Accounts”) in accordance with the general purposes of such Accounts as described in Section 2.0 of these Guidelines and the investment objectives more particularly described in Sections 5.0 – 7.0 below. In general, OST attempts to minimize the number of transfers of State Funds in and out of both Liquidity Accounts and Reserve Accounts. In the former case, OST maintains balances of funds with the Cash Management Banks sufficient to meet the State’s daily requirements over the near-term, allowing Liquidity Account balances to fluctuate based on the reasonably predictable cyclical pattern of the State’s annual collections and disbursements. In the latter instance, OST allocates State Funds to and from Reserve Accounts only as unforeseen need for, or receipt of, funds occurs that deviates meaningfully from the State’s historical pattern of collections and disbursements. Notwithstanding the foregoing, the Board may express a fixed allocation of State Funds to be held in each of the Cash Accounts to reflect then prevailing market conditions or other considerations related to the probable income from and/or level of risk related to the investment of State Funds. (29 Del.C. §2716(a)). In such cases, OST may be required to make more frequent allocations among the Cash Accounts.

3.2.2 **Endowment Accounts and Operating Accounts.** Unless otherwise determined by the Board, OST shall allocate State Funds to the Endowment Accounts and Operating Accounts in accordance with the general purposes of such Accounts described in Section 2.0 of these Guidelines and the investment objectives more particularly described in Sections 8.0 and 9.0 below.

#### **3.3 Allocation among Banks and Managers**

3.3.1 **Cash Management Banks.** Unless otherwise determined by the Board, OST shall further allocate State Funds in the Collection and Disbursement Accounts among the Cash Management Banks in such proportions as OST determines in its discretion are

necessary or desirable to meet the State's anticipated near-term anticipated operating liquidity requirements.

- 3.3.2 **Liquidity Managers.** Unless otherwise determined by the Board and subject to the provisions of subsection 3.3.5 below, OST shall further allocate State Funds in the Liquidity Accounts pro rata among the Liquidity Managers based on the aggregate amount of State Funds in such Accounts.
- 3.3.3 **Reserve Managers.** Unless otherwise determined by the Board, OST shall further allocate State Funds in the Reserve Accounts pro rata among the Reserve Managers based on the aggregate amount of State Funds in such Accounts.
- 3.3.4 **Endowment Managers.** Unless otherwise determined by the Board, OST shall further allocate State Funds in the Endowment Accounts pro rata among the Endowment Managers based on the aggregate amount of State Funds in such Accounts.
- 3.3.5 **Special Allocation of State Funds in Operating Accounts.** Unless otherwise determined by the Board, OST shall further allocate State Funds in Operating Accounts pro rata among the Liquidity Managers or such other financial institutions as directed by the Board pursuant to subsection 2.1.5.

#### 4.0 General Investment Standards and Objectives

**4.1 Standard of Care.** In general, the banks and managers engaged as fiduciaries to manage State Funds shall exercise the judgment and care over the investment of such funds with the care, skill, prudence, and diligence under the circumstances then prevailing that prudent professional investment managers, acting in like capacity and familiar with such matters, would use in the investment of State Funds.

**4.2 General Objectives.** Subject to the more specific policies set out in Sections 5.0, 6.0, 7.0, 8.0, and 9.0 of these Guidelines, State Funds shall be invested in a manner that ensures the safety of, provides liquidity for, and maximizes return on such funds. For purposes of these Guidelines, the foregoing priorities have the following meanings:

- 4.2.1 **Safety.** Safety is defined as the ability, under ordinary market conditions, to ensure against the loss of the original investment amount of State Funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.
- 4.2.2 **Liquidity.** Liquidity is defined as the capacity to realize, convert to cash, an asset in a timely fashion, at or near its value. An asset is said to be liquid when the act of selling has little impact on the asset's price. State Funds shall remain sufficiently liquid to meet all anticipated operating requirements and funding needs, and should be managed and invested for availability to meet unanticipated needs with minimal losses associated with illiquidity.
- 4.2.3 **Return.** Return is defined as the gain or loss on an investment over a specified period. Gains on investments are considered to be any income received from the security plus the earnings an asset generates in excess of its initial cost. The State Funds portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity set out herein.

#### 5.0 Collection and Disbursement Accounts

**5.1 Investment Objectives.** The funds in the Collection and Disbursement Accounts must be immediately available to support the State's daily governmental programs and activities. The primary investment objectives are therefore safety and liquidity of such funds; return is a secondary priority. OST may, consistent with these investment objectives, minimize credit risk associated with demand deposit account balances at Cash Management Banks through same-day

money market mutual fund sweep products in accordance with subsection 5.2.2 and/or banking services arrangements offering “daylight overdraft” or similar privileges. End of- day ledger balances shall be secured as provided in subsection 5.2.

**5.2 Permissible Investments.** Cash Management Banks shall maintain State Funds in either collateralized demand deposit accounts or open-end money market mutual funds, in each case, subject to the provisions of subsections 5.2.1 and 5.2.2, respectively, in order to mitigate the risk of State Funds being exposed to the credit risk of such financial institution.

5.2.1 **Demand Deposit Accounts.** State Funds held by Cash Management Banks in demand deposit accounts shall be collateralized with one or more of following approved methods: (a) pledges of government securities that meet the definitions set out in subsections 6.3.1.1 and 6.3.2.1 to a custody account held for the benefit of the State at a Federal Reserve Bank, or held by an independent trust company, bank or similar financial institution rated in the highest rating category by at least one Nationally Recognized Statistical Rating Organizations approved by OST (“NRSRO”); (b) irrevocable standby letters of credit (“LOCs”) issued by a Federal Home Loan Bank or financial institution rated in the highest rating category by at least one NRSRO; and (c) surety bonds issued by insurance companies rated in the highest rating category by at least one NRSRO (collectively, “Eligible Collateral”). The terms of any pledge or custody agreement, LOC, or surety bond shall be reviewed and approved by OST. The aggregate value of Eligible Collateral shall equal or exceed the total average monthly closing ledger balances of State Funds held or expected to be held by Cash Management Banks during the prior month, plus such additional amount of Eligible Collateral as OST may require Cash Management Banks to provide to protect against volatility and ensure that all uninsured ledger balances are fully secured at the close of each business day. Eligible Collateral in the form of government securities shall be marked to market at the close of each business day using an independent pricing service. A Cash Management Bank may substitute or reduce Eligible Collateral provided that Eligible Collateral levels meet or exceed the foregoing requirements. OST shall be provided with same-day notice of any such substitutions or reductions of Eligible Collateral. In addition, a Cash Management Bank shall provide OST with a detailed report of Eligible Collateral held in a custody account as requested by OST.

5.2.2 **Money Market Mutual Funds.** State Funds held by Cash Management Banks in money market mutual funds shall be invested solely in government securities that meet the definitions set out in subsections 6.3.1 and 6.3.2 and which are rated in the highest rating category by at least one NRSRO.

**5.3 Call Reports.** Each Cash Management Bank shall provide OST with a consolidated report of condition and income, generally referred to as a “call report,” with respect to such financial institution on a quarterly basis unless such report is available publicly from the Federal Financial Institutions Examination Council’s web site or a successor agency’s website.

**21 DE Reg. 968 (06/01/18)**

**23 DE Reg. 584 (01/01/20)**

## **6.0 Liquidity Accounts**

**6.1 Investment Objectives.** The primary investment objectives of the Liquidity Accounts are to maintain the safety of State Funds while ensuring the liquidity of such funds to be drawn down to the Cash Management Banks for the support of the anticipated funding needs of the State. As variations in the State’s otherwise predictable pattern of annual collections and disbursements do occur and can be material, Liquidity Managers must be prepared to meet unanticipated liquidity demands of the State in addition to those anticipated by OST. After the achievement of those goals, the State seeks to maximize the return on such investments.

- 6.2 Maturity Restrictions.** The maximum maturity for any investment of State Funds in the Liquidity Accounts shall be two years from the date of settlement. Notwithstanding the foregoing, securities identified in subsections 6.3.4, 6.3.9, 6.3.10, and 6.3.11 that are subject to periodic reset of coupon or interest rate may have an average life not to exceed three years as measured from the date of settlement.
- 6.3 Permissible Investments and Percentage of Account Limitations.** State Funds held in Liquidity Accounts can be invested solely in the types of securities set out in this subsection 6.3. Each Liquidity Manager is further subject to limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Limit" of such security type identified in this subsection 6.3, measured as a percentage of the total Liquidity Account value of State Funds under such manager's discretion.
- 6.3.1 United States Treasury Obligations**
- 6.3.1.1 Definition: Bills, bonds, and notes issued by the U.S. Treasury.
- 6.3.1.2 Percentage Limit: No limit.
- 6.3.2 United States Government Agency Obligations**
- 6.3.2.1 Definition: Any obligation of, or obligation that is insured as to principal and interest by, the U.S. or any agency or corporation thereof (excluding bills, bonds and notes issued by the U.S. Treasury), and any obligation and security of U.S.-sponsored enterprises, limited to the Export-Import Bank of the United States, Farmers Home Administration, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Land Banks, Government National Mortgage Association, and the Federal National Mortgage Association.
- 6.3.2.2 Percentage Limit: 50% in total; 20% in any one issuer.
- 6.3.3 Certificates of Deposit and Time Deposits**
- 6.3.3.1 Definition: Certificates of deposit and time deposits denominated in U.S. dollars and issued or endorsed by either (i) a bank or a savings and loan association organized and supervised under federal or any state laws and regulated by the Federal Reserve or a trust company which is a member of the Federal Reserve system or (ii) a bank organized and supervised under the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Any such banking institution must have assets of not less than \$100 billion and be rated not lower than A1/P-1/F1 Short Term by at least two NRSROs.
- 6.3.3.2 Percentage Limit: 50% in total (domestic & non-domestic combined); 25% in all non-domestic banking institutions; 5% in any one issuer.
- 6.3.4 Corporate Debt Instruments**
- 6.3.4.1 Definition: Commercial paper, variable rate notes, and non-convertible bonds and debentures denominated in U.S. dollars and issued by a U.S. corporation or a non-domestic corporation subject to the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Such securities must be rated by at least two NRSROs and (i) in the case of commercial paper, must be rated not lower than "A-2" by S&P, "P-2" by Moody's and "F2" by Fitch and the senior long-term debt of the issuer must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch (excluding asset-backed commercial paper that is rated A-1 or better) and (ii) in the case of notes, bonds and debentures, must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch; provided that, any security that meets the foregoing rating standards and is backed fully by an irrevocable, unconditional letter of credit issued by a banking institution shall not be permissible hereunder unless such banking

institution meets the definition of subsection 6.3.3.1 (in which case, any such securities will be deemed to be securities of both the corporate issuer and the banking institution for purposes of calculating the Percentage Limits set forth in subsections 6.3.4.2 and 6.3.3.2, respectively).

6.3.4.2 Percentage Limit: 50% in total; 25% in all non-domestic corporations; 25% in any one industry; 5% in any one issuer. Notwithstanding the foregoing, absent written permission from OST and prior Board approval, 144A private placement securities otherwise authorized under subsections 6.3.4.1 and 11.1.7 may not exceed 25% 30% of any Liquidity Account.

### **6.3.5 Repurchase Agreements**

6.3.5.1 Definition: Securities permissible pursuant to subsections 6.3.1 and 6.3.2 acquired from a primary dealer designated by the NY Federal Reserve Bank, or a domestic bank which meets the definition set out in subsection 6.3.3.1, subject to a written repurchase agreement from such dealer or bank; provided that, (i) in the case of securities held in book-entry form in the Federal Reserve System, all deliveries of such securities must be made through the Federal Reserve book-entry system to an account designated by the State's custodian for such purpose and (ii) in the case of securities held in certificated form, all deliveries of such securities must be made to such address as designated by the State's custodian.

6.3.5.2 Percentage Limit: 50% in total; provided that any securities purchased subject to repurchase agreements shall be subject to the respective Percentage Limit for such security type as set forth in this subsection 6.3 and valued for such purposes at the lesser of fair market value and 102 percent of the maturity value of the securities pursuant to the repurchase agreement and marked to-the-market daily as requested by the investment manager.

### **6.3.6 Money Market Funds**

6.3.6.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 6.3.1 and 6.3.2) and which are rated in the highest rating category by at least one NRSRO.

6.3.6.2 Percentage Limit: No limit.

### **6.3.7 Canadian Treasury Bills**

6.3.7.1 Definition: Marketable securities issued by the government of Canada; provided that such securities are U.S. dollar denominated.

6.3.7.2 Percentage Limit: 25% in total.

### **6.3.8 Canadian Agency Securities**

6.3.8.1 Definition: Any obligation of any Canadian government-sponsored agency that is insured as to principal and interest by the Canadian Government; provided that the obligation is U.S. dollar denominated commercial paper having a maximum maturity of 270 days from the date of settlement.

6.3.8.2 Percentage Limit: 25% in total; 10% in any one agency.

### **6.3.9 Mortgage-Backed Securities**

6.3.9.1 Definition: Government National Mortgage Association, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation mortgage-backed securities issued in the form of passthroughs; provided that, such securities have (i) been issued and guaranteed by the US Government or Government Agency and (ii) an average life not to exceed two years from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement).

**6.3.9.2** Percentage Limit: 10% in total, including securities defined in subsection 6.3.10.1.

**6.3.10 Asset-Backed Securities**

6.3.10.1 Definition: Securities collateralized by pools of auto loan receivables, credit card receivables, and equipment loans; provided that such securities have (i) the highest credit rating from at least two NRSROs and (ii) an average life not to exceed two years from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement).

6.3.10.2 Percentage Limit: 10% in total, including securities defined in subsection 6.3.9.1.

**6.3.11 Supranational Organizations or International Agencies**

6.3.11.1 Definition: Any obligation issued by a supranational organization or international agency denominated in U.S. dollars under U.S. securities law for sale in the United States as well as globally; provided that such obligation is rated by at least two NRSROs and must not be rated lower than “A-” by S&P, “A3” by Moody’s and “A-” by Fitch. Supranational organizations include, but are not limited to, the World Bank, Asian Development Bank, Inter-American Development Bank, International Bank for Reconstruction and Development, International Finance Corporation, and the Agency for International Development.

**6.3.11.2** Percentage Limit: 25% in total, 10% in any one agency.

**23 DE Reg. 584 (01/01/20)**

**25 DE Reg. 728 (01/01/22)**

**7.0 Reserve Accounts**

**7.1 Investment Objectives.** The Reserve Accounts have been established to provide funding over an intermediate horizon but must be available to meet unanticipated operating requirements of the State as they arise. The primary investment objectives are to maintain the safety of and maximize the return on such funds. Liquidity of such funds is a secondary consideration, but Reserve Managers are expected to invest State Funds in a manner to mitigate losses in connection with the need to liquidate investments for unforeseen operating requirements.

**7.2 Maturity Restrictions.** The maximum maturity for any investment of State Funds in the Reserve Accounts shall be 11 years and one month from the date of settlement.

**7.3 Permissible Investments and Percentage of Account Limitations.** State Funds held in Reserve Accounts can be invested solely in the types of securities set out in this subsection 7.3. Each Reserve Manager is further subject to limit the aggregate value of State Funds invested in each type of security held in the account under such manager’s discretion to the “Percentage Limit” of such security type identified in this subsection 7.3, measured as a percentage of the total Reserve Account value of State Funds under such manager’s discretion.

**7.3.1 United States Treasury Obligations**

7.3.1.1 Definition: Bills, bonds, and notes issued by the U.S. Treasury.

7.3.1.2 Percentage Limit: No Limit.

**7.3.2 United States Government Agency Obligations**

7.3.2.1 Definition: Any obligation of, or obligation that is insured as to principal and interest by, the U.S. or any agency or corporation thereof (excluding bills, bonds and notes issued by the U.S. Treasury), and any obligation and security of U.S.-sponsored enterprises, limited to the Export-Import Bank of the United States, Farmers Home Administration, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Land Banks, Government National Mortgage Association, and the Federal National Mortgage Association.

7.3.2.2 Percentage Limit: 50% total; 20% in any one issuer.

### **7.3.3 Certificates of Deposit and Time Deposits**

7.3.3.1 Definition: Certificates of deposit and time deposits denominated in U.S. dollars and issued or endorsed by either (i) a bank or a savings and loan association organized and supervised under federal or any state laws and regulated by the Federal Reserve or a trust company which is a member of the Federal Reserve system or (ii) a bank organized and supervised under the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Any such banking institution must have assets of not less than \$100 billion and be rated not lower than A1/P-1/F1 Short Term by at least two NRSROs.

7.3.3.2 Percentage Limit: 50% in total (domestic & non-domestic combined); 25% in all non-domestic banking institutions; 5% in any one issuer.

### **7.3.4 Corporate Debt Instruments**

7.3.4.1 Definition: Commercial paper, variable rate notes, and non-convertible bonds and debentures denominated in U.S. dollars and issued by a U.S. corporation or a non-domestic corporation subject to the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway; provided that such securities must be rated by at least two NRSROs and (i) in the case of commercial paper, must be rated not lower than "A-2" by S&P, "P-2" by Moody's and "F2" by Fitch and the senior long-term debt of the issuer must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch (excluding asset-backed commercial paper that is rated A1 or better) and (ii) in the case of notes, bonds and debentures, must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch; provided that, any security that meets the foregoing rating standards and is backed fully by an irrevocable, unconditional letter of credit issued by a banking institution shall not be permissible hereunder unless such banking institution meets the definition of subsection 7.3.3.1 (in which case, any such securities will be deemed to be securities of both the corporate issuer and the banking institution for purposes of calculating the Percentage Limits set forth in subsections 7.3.4.2 and 7.3.3.2, respectively).

7.3.4.2 Percentage Limit: 50% in total; 25% in all non-domestic corporations; 25% in any one industry; 5% in any one issuer. Notwithstanding the foregoing, absent written permission from OST and prior Board approval, private placement securities otherwise authorized under subsections 7.3.4.1 and 11.1.7 may not exceed 15% of any Reserve Account.

### **7.3.5 Repurchase Agreements**

7.3.5.1 Definition: Securities permissible pursuant to subsections 7.3.1 and 7.3.2 acquired from a primary dealer designated by the NY Federal Reserve Bank, or a domestic bank which meets the definition set out in subsection 7.3.3.1, subject to a written repurchase agreement from such dealer or bank; provided that, (i) in the case of securities held in book-entry form in the Federal Reserve System, all deliveries of such securities must be made through the Federal Reserve book-entry system to an account designated by the State's custodian or such purpose and (ii) in the case of securities held in certificated form, all deliveries of such securities must be made to such address as designated by the State's custodian.

7.3.5.2 Percentage Limit: 50% in total; provided that any securities purchased subject to repurchase agreements shall be subject to the respective Percentage Limit for such security type as set forth in this subsection 7.3 and valued for such

purposes at the lesser of fair market value and 102 percent of the maturity value of the securities pursuant to the repurchase agreement and marked-to-the-market daily as requested by the investment manager.

### **7.3.6 Money Market Funds**

7.3.6.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 7.3.1 and 7.3.2) and which are rated in the highest rating category by at least one NRSRO.

7.3.6.2 Percentage Limit: 100% in total.

### **7.3.7 Canadian Treasury Bills**

7.3.7.1 Definition: Marketable securities issued by the government of Canada, provided that such securities are U.S. dollar denominated.

7.3.7.2 Percentage Limit: 25% in total.

### **7.3.8 Canadian Agency Securities**

7.3.8.1 Definition: Any obligation of any Canadian government-sponsored agency that is insured as to principal and interest by the Canadian Government; provided that the obligation is U.S. dollar denominated commercial paper having a maximum maturity of 270 days from the date of settlement.

7.3.8.2 Percentage Limit: 25% in total; 10% in any one agency.

### **7.3.9 Mortgage-Backed Securities**

7.3.9.1 Definition: Government National Mortgage Association, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation mortgage-backed securities issued in the form of passthroughs; provided that they have (i) been issued and guaranteed by the US Government or Government Agency and (ii) an average life not to exceed ten years (from the date of settlement of purchase).

7.3.9.2 Percentage Limit: 10% in total, including securities defined in subsection 7.3.10.1.

### **7.3.10 Asset Backed Securities**

7.3.10.1 Definition: Securities collateralized by pools of auto loan receivables, credit card receivables, and equipment loans; provided that (i) such securities have the highest credit rating from at least two 2 NRSROs and (ii) an average life not to exceed two 2 years and 6 months from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three 3 years from the date of settlement).

7.3.10.2 Percentage Limit: 10% in total, including securities defined in subsection 7.3.9.1.

### **7.3.11 Municipal Obligations**

7.3.11.1 Definition: Taxable and tax-exempt securities issued by state and local governments and public authorities in the U.S., excluding securities issued by the State of Delaware, its local governments and public authorities; provided that such securities must be rated by at least two NRSROs and must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch.

7.3.11.2 Percentage Limit: 25% in total, 10% in any one agency.

**21 DE Reg. 968 (06/01/18)**

**23 DE Reg. 584 (01/01/20)**

**24 DE Reg. 716 (01/01/21)**

**25 DE Reg. 728 (01/01/22)**

## **8.0 Endowment Accounts**

**8.1 Investment Objectives.** Endowment Accounts are funded with State Funds to be preserved and grown over time with a portion of the investment income and/or appreciation thereon withdrawn

periodically to provide for specified legislative purposes. The primary objective of such Accounts is to create a perpetual fund whereby returns are maximized over the long term while ensuring safety of the corpus and the availability of amounts prescribed to meet the periodic liquidity requirements of the permitted withdrawals.

**8.2 Permissible Investments and Percentage of Account Limitations.** State Funds held in Endowment Accounts can be invested solely in the types of securities set out in this subsection 8.2. Each Endowment Manager is further subject to (i) limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Maximum" of such security type identified in this subsection 8.2, measured as a percentage of the total account value of State Funds under such manager's discretion, and (ii) maintain a minimum of the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Minimum" of such security type identified in this subsection 8.2, measured in each case as a percentage of the total account value of State Funds under such manager's discretion.

**8.2.1 Money Market Funds**

8.2.1.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 6.3.1 and 6.3.2) and which are rated in the highest rating category by at least one NRSRO.

8.2.1.2 Percentage Maximum: 30% in total.

8.2.1.3 Percentage Minimum Limit: none.

**8.2.2 Domestic and International Equities**

8.2.2.1 Definition: Common and preferred stocks of companies domiciled both within the U.S. and outside the U.S. that trade on U.S. or foreign exchanges and over the counter. Ownership in a publicly traded company, whether common or preferred, that trades on globally recognized exchanges, and issued by corporations, both foreign and domestic.

8.2.2.2 Percentage Maximum: 75% in total; no more than 35% of which are in international equities.

8.2.2.3 Percentage Minimum: 45% in total; no more than 35% of which are in international equities.

**8.2.3 Domestic and International Fixed Income**

8.2.3.1 Definition: Debt securities of U.S. and non-U.S. governments, public agencies, corporations and other non-government entities.

8.2.3.2 Percentage Maximum: 55% in total, including securities permitted under subsection 8.2.4.

8.2.3.3 Percentage Minimum: 25% in total, including securities permitted under subsection 8.2.4.

**8.2.4 Alternative Investments**

8.2.4.1 Definition: Securities not otherwise permissible pursuant to subsections 8.2.1 – 8.2.3 that a prudent manager would deem appropriate for portfolios of like character with comparable investment objectives, excluding hedge funds or other blind pool funds that incorporate leverage as part of their investment strategies.

8.2.4.2 Percentage Maximum: 25% in total.

8.2.4.3 Percentage Minimum: none.

**23 DE Reg. 584 (01/01/20)**

**9.0 Operating Accounts**

**9.1 Investment Objectives.** State agencies and other public authorities maintain various operating accounts with the intent of segregating such funds for accounting and reporting purposes. In addition, operating accounts may be created by the State to meet particular purposes and/or to

comply with state statutes, bond trust agreements and/or Federal guidelines. The investment objectives with respect to such funds are to ensure safety and maximize return while providing for the liquidity requirements specifically identifiable to the use of such funds.

**9.2 Maturity Restrictions.** Unless otherwise determined by the Board, the maximum maturity for any investment of State Funds in the Operating Accounts shall be two years from the date of settlement. In some circumstances, State Funds in an Operating Account may be set aside to fund a known, specific future liability; in such cases, the Board grants OST the discretion to set the maturity restrictions with respect to securities purchased with such funds to correspond to the due date of the corresponding liability.

**9.3 Permissible Investments and Percentage of Account Limitations.** Unless otherwise determined by the Board, Operating Accounts shall be governed by the Permissible Investment and Percentage of Account Limitations for the Liquidity Accounts set out in subsections 6.2 and 6.3.

## **10.0 Settlement Accounts**

**10.1 Investment Objectives.** State Funds in the Settlement Accounts remain for only a short period of time before transfer to a Collection and Disbursement Account. The primary investment objectives are therefore safety and liquidity of such funds; return is a secondary priority. OST may, consistent with these investment objectives, minimize credit risk associated with demand deposit account balances at Merchant Banks through same-day money market mutual fund sweep products in accordance with subsection 5.2.2. End-of-day ledger balances shall be secured as provided in subsection 5.2.1.

**10.2 Permissible Investments.** Merchant Banks shall maintain State Funds in either collateralized demand deposit accounts or open-end money market mutual funds, in each case, subject to the provisions of subsections 5.2.1 and 5.2.2, respectively, in order to mitigate the risk of State Funds being exposed to the credit risk of such financial institutions.

**23 DE Reg. 584 (01/01/20)**

## **11.0 Restrictions & Violations**

**11.1 Investment Restrictions.** Notwithstanding any other provision, none of the banks or managers engaged to manage or invest State Funds may:

- 11.1.1 Purchase any securities other than those expressly permitted under Sections 5.0 – 9.0 of these Guidelines;
- 11.1.2 Make investments for the purpose of exercising control or management of an issuer;
- 11.1.3 Purchase any securities on margin, except for use of short-term credit necessary for clearance of purchases and sales of portfolio securities;
- 11.1.4 Make short sales of securities or maintain a short position or write, purchase or sell puts, calls, straddles, spreads or combinations thereof;
- 11.1.5 Make loans to other persons, other than in connection with repurchase agreements as provided herein;
- 11.1.6 Mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness any securities owned or held;
- 11.1.7 Invest in securities with legal or contractual restrictions on resale or for which no readily available market exists (except for repurchase agreements or variable rate master demand notes as provided herein and, if authorized under applicable U.S. Securities and Exchange Commission rules and regulations, 144A private placements considered not to be illiquid, but, instead, readily marketable by issuing dealers);
- 11.1.8 Act as an underwriter of securities on behalf of the State of Delaware; or
- 11.1.9 Buy or sell any authorized investment when it is a party or any related or affiliated party in the transaction on both sides.
- 11.1.10 Where these Guidelines require at least two NRSRO ratings for a security, the lowest such rating shall control.

- 11.2 Purchases in Violation of Guidelines.** In the event that a bank or manager purchases any security that at the time of purchase violates Sections 5.0 – 10.0, the bank or manager shall remove the security from the State's portfolio by the close of the business day following the date on which the bank or manager learns of the violation and will bear all costs associated with the purchase and sale of such security. The bank or manager shall further ensure that the State recognizes no investment gain or loss on the purchase and sale of such security and/or shall effect such transactions as shall be necessary to eliminate any such gain or loss on the books and records of the State's Account with such bank or manager. A bank or manager shall report to OST any such violation and the remedial action(s) taken or proposed by the close of the business day following the date on which the bank or manager learns of the violation.
- 11.3 Holding Impermissible Securities Following a Downgrade.** In the event that a bank or manager holds any security that complied with Sections 5.0 – 10.0 at the time of purchase, but which ceases to qualify as a permissible investment as the result of a downgrade, the bank or investment manager shall remove the security from the State's portfolio by the close of the business day following the date on which the bank or manager learns of the downgrade without any consideration as to the investment gains or losses occasioned thereby. In such case, the State shall bear all costs associated with the purchase and sale of such security and shall recognize any investment gain or loss on such transactions on the books and records of the State's Account with such bank or manager. A bank or manager shall report to OST any such downgrade and the remedial action(s) taken or proposed by the close of the business day following the date on which the bank or manager learns of the downgrade.
- 11.4 Holding Impermissible Securities Following a Drawdown.** In the event that a manager's account exceeds the percentage of account limitations set forth in Sections 5.0 - 10.0 hereof as the result of a portfolio withdrawal, the manager shall provide to OST within two (2) business days, a detailed plan for remediation of the allocation to within the permissible percentage of account limitation. Such plan shall include: any expected pay-downs on structured securities, expected maturities and expected cash flow items. The manager and OST shall work together to determine a prudent path for remediation, with care taken to manage the overall portfolio risk and implications of any book gains or losses within the portfolio.
- 11.5 Mutual or Commingled Fund Exceptions to Guidelines.** The Board recognizes that (i) mutual funds and other types of commingled investment vehicles can provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed fund pursuing the same investment objectives and (ii) such funds cannot customize their investment policies to conform to the guidelines set out herein. In such cases, unless OST, after consultation with the Board or the Board's consultant determines otherwise, the policies of such funds shall supersede these guidelines and are exempt from the policies and restrictions specified herein.

**Originally adopted January 18, 1982**

- 18 DE Reg. 462 (12/01/14)**
- 20 DE Reg. 491 (12/01/16)**
- 21 DE Reg. 968 (06/01/18)**
- 23 DE Reg. 584 (01/01/20)**
- 24 DE Reg. 716 (01/01/21)**
- 25 DE Reg. 728 (01/01/22)**
- 28 DE Reg. 549 (01/01/25) (Final)**

**Appendix D: File Transfer Details**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

All files are transferred via Secure File Transfer Protocol (SFTP). All information currently available has been provided below. Please note, the State's ERP systems, Pensions, HCM and Finance, are expected to be replaced with cloud-based technology during modernization that is currently underway.

<b>OUTGOING FILES</b>						
<b>Description</b>	<b>Standard / Custom</b>	<b>Format</b>	<b>Frequency</b>	<b>Time Sent</b>	<b>Automated / Manual</b>	<b>Originated Application</b>
<b>Component 1: General Banking</b>						
OUP Positive Pay for Escheat Checks						
Accounting Positive Pay	Custom	CCD+	Daily	6:00 pm – 6:00 am	Automated	PeopleSoft Financial (FSF)
Accounting Electronic Funds Transfer (EFT)	Custom	NACHA	Daily	6:00 pm – 6:00 am	Automated	PeopleSoft Financial (FSF)
Labor UI Benefit Payments (ACH & Pre-Paid Debit Card)	Standard	NACHA	Daily	12:00 pm	Automated	Check Write
Labor UI Bank Reconciliation (Issued and cancelled checks)	Custom	Flat file	Daily	12:00 pm	Automated	
Labor UI Daily Pre-note Test	Standard	NACHA	Twice Daily	10:00 am & 12:00 pm	Automated	Direct Deposit Application/ Check Write
Pension Direct Deposit of Pensioners		NACHA				
Pension Positive Pay	Custom	NACHA	Monthly	By 5:00 pm 3 days prior to pay day	Automated	PeopleSoft HCM
Pension Retiree Payroll EFT	Custom	NACHA	Monthly	By 5:00 pm 3 days prior to pay day	Automated	PeopleSoft HCM
Pension Vendor EFT	Custom	NACHA	Monthly	By 5:00 pm 2 days prior to pay day	Automated	PeopleSoft HCM
PHRST EDI Addenda Record for Child Support	Standard	NACHA	Pay Cycle	Before 11:59 pm, 3 days prior to pay day	Automated	PeopleSoft HCM
PHRST Direct Deposit of Payroll	Standard	NACHA	Pay Cycle	Before 11:59 pm, 3 days prior to pay day. <sup>5</sup>	Automated	PeopleSoft HCM
PHRST Positive Pay – On Demand Checks	Custom	DAT	Daily as Needed	As needed before 2:00pm	Automated	PeopleSoft HCM
PHRST Positive Pay for Payroll	Custom	DAT	Pay Cycle	Before 11:59 pm, 3 days	Automated	PeopleSoft HCM

				prior to pay day		
Revenue Direct Deposit for Revenue Refunds	Standard	NACHA	Varies	After 5pm	Automated	
Revenue ICL Deposit	Standard	X9.100-187	Daily	11:30 am	Manual	
Revenue Positive Pay – Revenue Refund Checks	Custom		Varies	After 5pm	Automated	
<b>Component 3: Purchasing/Virtual Card &amp; ePayables</b>						
Accounting SUA Payments (VISA)	Custom	CSV	Daily	6:00 pm – 6:00 am	Automated	PeopleSoft Financial (FSF)
<b>Component 4: Pre-Paid Debit Card</b>						
Labor UI Debit Card Changes	Custom	Flat File	Daily	3:00 pm	Automated	Debit Card
Labor UI New Enrollments	Custom	Flat File	Daily	12:00 pm	Automated	Check Write

**Appendix D: File Transfer Details**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

All files are transferred via Secure File Transfer Protocol (SFTP). All information currently available has been provided below. Please note, the State's ERP systems, Pensions, HCM and Finance, are expected to be replaced with cloud-based technology during modernization that is currently underway.

INCOMING FILES						
Description	Standard / Custom	Format	Frequency	Time Received	Automated / Manual	Receiving Application
<b>Component 1: General Banking</b>						
Accounting Daily Recon for Credit Card Account	Custom	BAI	Daily		Automated	PeopleSoft Financial (FSF)
Accounting Daily Recon for DeIDOT TTF	Custom	BAI	Daily	4:00pm – 8:00 am	Automated	PeopleSoft Financial (FSF)
Accounting Daily Recon for OTC Collection Account	Standard	BAI	Daily		Automated	PeopleSoft Financial (FSF)
Accounting Daily Recon for Vendor Account	Custom <sup>6</sup>	BAI	Daily		Automated	PeopleSoft Financial (FSF)
Labor UI Daily Reconciliation (Includes direct deposit, debit card and benefit checks)	Standard	NACHA	Daily	12:00 pm	Automated	
Labor UI Monthly Accounts Receivable	Custom	Flat file	Monthly – 8 <sup>th</sup> work day	8:30 am	Automated	
OST Analysis Statements	Standard	822	Monthly	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Controlled Disbursement Accts	Standard	BAI	Daily	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Credit Card Account	Custom	BAU	Daily	7:00 am	Automated	Chesapeake Systems Solutions
OST Daily Recon for ECC ACH Deposits in Main Collection Account	Standard <sup>7</sup>	NACHA	Daily	7:00 am	Manual <sup>8</sup>	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Electronic Collection Account	Standard	BAI	Daily	7:00 am	Manual <sup>8</sup>	Chesapeake Systems Solutions

						(Trintech, T-Recs)
OST Daily Recon for Over The Counter (OTC) Collection Account	Standard	BAI	Daily	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Vendor Account	Standard	BAI	Daily	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
<b>Component 2: Lockbox</b>						
Corporations	Custom	TXT	Daily	10:00 pm	Automated	.Net (Windows)
Labor UI Training Tax	Custom	DAT	Daily	3:00 pm	Automated	
Labor UI Unemployment UC8	Custom	DAT	Daily	3:00 pm	Automated	
Labor UI Unemployment UC8A	Custom	DAT	Daily	3:00 pm	Automated	
Labor UI Unemployment UC8PAY	Custom	DAT	Daily	3:00 pm	Automated	
Labor Report	Custom	DAT	Daily	3:00 pm	Automated	
<b>Component 3: Purchasing/Virtual Card &amp; ePayables</b>						
P-Card Holder Profiles Inbound	Custom	TXT	Daily	2:00pm 2:00am	Automated	PeopleSoft Financial (FSF)
VISA SUA Reconciliation	Custom	CSV	Daily	2:00pm 2:00am	Automated	PeopleSoft Financial (FSF)
VISA Transactions	Standard	Fixed Length	Daily	2:00pm 2:00am	Automated	PeopleSoft Financial (FSF)
<b>Component 4: Pre-Paid Debit Card</b>						
Labor UI Daily Response (List of errors)	Custom	Flat file	Daily	1:00 pm / 4:30 pm	Automated	
Labor UI Daily Update (Status of cards)	Custom	Flat file	Daily, including weekends	9:00 am	Automated	

## Appendix E: Payroll/Pension Direct Deposit Requirements

CONTRACT NUMBER: TRE25101-BANKINGSVC

1. Allow the State of Delaware to fund its Payroll Direct Deposit and Pension Direct Deposit accounts via wire transfer or ACH transfer on the effective date of the payday. With either method, Vendor will receive funding on or before the date of the payday.
  - In the event of technical difficulties or natural disasters prevent the funding of the Direct Deposit account in a routine and timely manner, Vendor will fulfill all authorized requests to initiate Direct Deposit payments.
  - Vendor shall assume that its fulfillment of Direct Deposit transactions is supported by the full faith and credit of the State of Delaware.
2. Verify Control Totals, resolve all discrepancies and research items on transmitted files in less than 24 hours under normal operating circumstances. An appropriate State of Delaware official will provide verification control totals, and Vendor will submit an acknowledgement of the control totals. Vendor will promptly notify the appropriate State of Delaware official when this deadline cannot be met. Vendor is required to update their website, call center recordings, and appropriate State's personnel should there be any delays in the direct deposit postings to employee bank accounts.
3. Process all Direct Deposit transactions for the State of Delaware to assure settlement of credits on the appropriate pay dates.
  - Should any transaction reject, Vendor shall assure the availability of funds to all Direct Deposit participants on or before 9:00 a.m. on the date of payment.
  - Vendor shall promptly report any ACH rejects to the appropriate State of Delaware official, and vendor will follow up the initial report with appropriate documentation (ACH Returns/NOC Detail Report). The State initiates pre-notification of bank account information for each direct deposit prior to ACH funds being transmitted.
    - All payroll and pension ACH rejects must be returned via the ACH system to Vendor.
    - ACH Returns/NOC Detail Report must be provided on a daily basis online or via email, as directed by the agency. Email attachments must be in MS Word or Adobe Acrobat format. The following information must be included:

TR Number	Account Number
Dollar Amount	Company ID / Trace
Receiver Name	Receiver ID
Description / Error	Total Debits
Transaction Code	Effective Date
Status	NACHA Code
Corrected Information	Total Returns
Total Credits	Total NOCs

**Appendix F: Purchasing/Virtual Card File Definitions**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

**FILE NAMING CONVENTIONS:**

Type of File	Filename	Purpose
Text	DPO003.TXT  Due to the format of the output, the file will overwrite the file generated on the previous run. If no data is found, then create an empty file.	File name for transmission

**FILE LAYOUT:**

Field	Format	Position on the file	Maximum Length	Description/Example
1. Employee ID	Alphanumeric	1	6	If length is less than 6 characters, then fill with leading zeros. Example: 123456 or 012345
2. Card Issuer	Alphanumeric	7	5	Example: VISA or MC
3. Account Number	Alphanumeric	12	10	Constant value of 56000
4. Cardholder account number	Alphanumeric	22	20	Ex: 66665555444433332222
5. Cardholder Expiration date	Date	42	10	Ex: MM/DD/YYYY
6. Date Issued	Date	52	10	Ex: MM/DD/YYYY
7. Card Type	Date	62	4	Ex: VISA or MC
8. Vendor Card	Alphanumeric	66	1	Y or N, default to N constant value
9. GL Business Unit	Alphanumeric	67	5	Constant value STATE
10. Custom Field is Operator ID in FSF	Alphanumeric	72	30	This is the State's Proxy ID. Constant value: DE_PCARD_ADMINISTRATOR
11. Role Name	Alphanumeric	102	30	This is the State's Proxy ID. Constant value: DE_PCARD_ADMINISTRATOR

**Appendix G: Vendor Payment File**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

Please see the attached excel file.

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**Appendix H: Unemployment Lockbox File Specifications**  
**CONTRACT NUMBER: TRE25101-BANKINGSVC**

Please see the attached excel file.

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**Appendix I: Lockbox Remittance Examples**

**CONTRACT NUMBER: TRE25101-BANKINGSVC**

Please see the attached pdf file.

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