

HAMILTON R-II SCHOOL DISTRICT BANK DEPOSITORY SERVICES BID NOTICE AND SPECIFICATIONS

In accordance with Section 165.211, RSMo., the Hamilton R-II School District of Hamilton, Missouri, will accept sealed bids for school district bank depository services until 2:00 p.m., Central Standard Time, May 17, 2022. Bids received after said date and time will be returned to the bidder unopened. Bids to be forwarded by United States Mail should be mailed at least three (3) working days prior to bid closing date in order to assure delivery by that date. Bid opening will occur at 2:00 p.m., Central Standard Time, May 17, 2022, in the central office at 419 South Hughes Street, Hamilton, Missouri.

Bids will be discussed and clarified with the financial institutions and will be awarded at the next regular meeting of the Board which will occur on May 19 at 6:30 p.m. at the central office, 419 South Hughes Street, Hamilton, Missouri. Bids are to be prepared at no cost to the Hamilton R-II School District and will remain the District's property. Bids must be delivered sealed and marked, "Bank Depository Services Bid" in the lower left hand corner of the envelope. Clarification or questions regarding bid procedures may be addressed to the District's Superintendent.

The District reserves the right to reject any and all bids, and to waive any irregularities. Bidders are asked to respond to all items. Bid specifications can be obtained by contacting the Superintendent's Office, 419 S. Hughes Street, Hamilton, Missouri; mcgraw@hamilton.k12.mo.us.

I. Procedures for Receiving/Awarding Depository Contract

- A. Once submitted to the District in sealed form, bids cannot be altered.
- B. After all written bids are opened and read, the Board of Education will take each bid under advisement.
- C. The District may question or interview each of the bidders to obtain an accurate understanding of each bid received.
- D. A certified check in the amount of \$2,500.00 payable to the Hamilton R-II School District will be submitted by each banking institution participating in the bidding process as required by 165.211, RSMo. The check will be returned to unsuccessful bidders immediately upon action by the Board, and will be returned to the successful bidder upon verification of pledged securities by law.

II. General Conditions

The following conditions and general information shall apply:

- A. The minimum length of the depository agreement being bid shall be for one (1) year, with an option exercisable by the District to renew at the same terms for up to four (4) additional years.
- B. Provide interest bearing, full service checking accounts, with monthly bank statements. Interest earned to be paid monthly.
- C. All image and paper transactions are to be returned via paper statement format and electronically. The method of delivery can be delivered by the bank to the District via mail or in person. The type of account described above to be provided for two (2) accounts:
 - o General Account
 - o Debt Service Account
- D. The rate of interest to be paid on each of the above accounts (collected funds) is to be determined by bid, as basis points above, or below, the weekly discount auction rate for 13 week Treasury Bills. If the Bank is proposing to use a different basis for establishing the rate of interest, please describe that basis and include a five year history of that rate compared to the 13 week Treasury Bill.
- E. Responsibilities of the depository (at no cost), aside from normal banking procedures, include:
 - o Serve as a depository for federal withholding deposits.
 - o Render a statement by the fifth working day of each month.
 - o Furnish deposit slips.
 - o Furnish night depository bags and accept overnight deposits.
 - o Furnish necessary coin (silver) bags and accept deposits in bulk.
 - o Furnish cashier's checks.
 - o Allow stop payment orders.
 - o Furnish one (1) large safe deposit box.
 - o Permit and facilitate wire transfers of certain state and federal funds coming into the district.
 - o Provide a licensed notary to aid the district.
 - o Provide on-line balance reporting.
 - o Provide direct deposit of payroll and accounts payable.
- F. Bank depository to secure all funds on deposit, as required by Missouri Law under Sections 110.020, 110.010 and 30.270, Revised Statutes of Missouri.

Basis of award:

- Rate of interest bid on the daily investment (checking) accounts
- Net annual cost of fees charged
- Local support for internet services provided on District accounts
- Number of facilities, and locations, available for providing services to District (please provide a list/map of all locations that will accept deposits and cash checks)
- Cost to move from current depository
- The average daily balance allowed to be in interest bearing accounts

- The limit of additional non-interest bearing deposits allowed to be carried as needed and guidelines related to securing those additional funds temporarily.

The Board of Education reserves the right to reject any or all bids, and to waive any irregularities therein.

HAMILTON R-II SCHOOL DISTRICT DEPOSITORY SERVICES GENERAL INFORMATION

The Hamilton R-II School District maintains one checking account (General Account – interest bearing) for most of the accounting funds of the District. The accounting funds General (incidental), Teachers, Capital Projects, and Student Activities are separated on the District's books and reconciled to the bank records monthly. The District maintains a separate checking account (interest bearing) for debt service. This account contains funds used to fund bond payments and lease payments.

Funds, not needed for immediate needs, are invested in government securities (orders placed with the depository and fees paid per the schedule provided previously in the bid specifications), commercial paper or certificates of deposit with local financial institutions, determined by bid, per transaction, or in the Missouri Securities Investment Program (MOSIP). If the interest rate paid by the bank is above the rate available for either government securities or certificates of deposit, funds will remain in the bank accounts, up to the agreed limits for collateralization.

Information is provided below regarding the receipts and disbursements of the Hamilton R-II School District.

Receipts:

The District's annual budget is in excess of \$9 million.

The District receives a significant portion of its revenues from two (2) sources, the State Foundation Formula and local property taxes.

State Foundation Program is received on, or about, the 20th of each month by ACH. This amount is estimated to be \$241,000 per month for the 2021-2022 school year.

Local Taxes Distribution is made by the County Collector once a month, on or about the 10th of each month. Approximately 75% of the total amount of local taxes is received December through January. For 2021-2022 local taxes are estimated to be \$3,400,000.

Other Receipts: Tuition payments = \$144,200, Federal Programs = \$690,000, Student Activities = \$133,00, Transportation = \$44,000

Disbursements:

Payroll: Payroll expense is the single largest item budgeted by the District. The District has one payroll each month. The schedule, number of deposits in the file and the amount estimated per payroll, for the 2021-2022 school year is shown below.

Once per month on the 20th 130 \$278,000

(Additional payroll files could be necessary primarily in the summertime.)

Accounts Payable: The District has one accounts payable file per month.

Once per month on the 20th 10 \$20,000

DEPOSITORY OF FUNDS

(Depository Bid Sheet for Current School Year)

Name of Depository: _____

Submitted By (Signature/Title): _____

Security of Funds

What type and amount of securities will the depository provide as collateral?

Accounts

Rates should be designated as a percentage of the federal funds rate.

<u>Interest Rate</u>	<u>Compounded</u>	<u>Annual</u>
(How Determined)	(How Often)	(See Example A)

1. Interest Bearing Checking

2. Investment Savings/Funds Management

3. Repo Sweep Account

Short-Term Loans

Rate should be designated as a percentage of New York prime rate.

Rate charged to district:

Annual Cost to District: _____ (See Example B)

Services

Will depository agree to provide the following services to the district?

Transaction/Service	Charge	Per Month or Item or Transaction
Deposits		
Deposited Items		
Credit Ledger Entries		

Checks Paid		
Deposit Item Chargeback		
Debit Ledger Entries ACH File ACH Transactions ACH Returns		
Account Maintenance		
Check / Deposit Reconciliation File (Central account and Employee Benefits account)		
Telephone Transfers		
Account Analysis		
After Hours Deposit Access		
Deposit Processing and Change Orders*		
Image Replacement Fee		

* Deposit Processing: Deposits are delivered daily to the bank. The locking bank bags from each school (up to 5 during the term of this agreement) will have a reconciled deposit slip in the bag to be confirmed by banking personnel and deposited.

Any other fees to be assessed at any time during the year must be listed in your response to the RFP. No fees will be added during the term of this agreement.

Service Charges

Will depository agree to waive all service charges to district? “ Yes “ No

If no, please list on the back of this sheet any service charges that depository will not waive, if not listed in the *Service* section above, and indicate a fee for each.

If yes, please list required compensating balances, if not listed in the *Service* section above.

Examples for Clarification

Example A For comparison purposes, assume that the district will maintain a balance of \$15,000 in the interest bearing checking account as well as \$15,000 in the investment savings/funds management account in your depository for a period of one (1) year. Using the bank's average effective federal funds rate as of 4/1/2022, and by applying your agreed to percentage of that rate, please compute the total amount of interest that the district would earn in each account for that one-year period.

Example B For comparison purposes, assume that the district wished to borrow \$100,000 from your depository for a period of one (1) year. Using the New York prime rate as of 4/1/2022, and by applying your agreed to percentage of that rate, please compute the total amount of interest that the district would be required to pay for that one- year period.