



Procurement Services  
Lucas Administrative Center, 617  
1 Nunn Drive  
Highland Heights, KY 41099  
859.572.6605  
FAX 859.572.6995

**ADDENDUM NO:** 2

**IFB/RFP No:** NKU-36-19

**Commodity:** Banking & Financial Services

**Date:** 8/23/2019

**Due Date:** 9/5/2019

***BIDDER/RESPONDER SHALL CONFORM TO THE FOLLOWING CHANGES AS SAME SHALL BECOME BINDING UPON THE CONTRACT TO BE ISSUED IN RESPONSE TO THIS INVITATION FOR BID.***

- A) We were contacted by a bidder who asked if would be permissible to submit their proposal via email instead of a USB Drive. **Yes, but you must email the proposal to [strausr2@nku.edu](mailto:strausr2@nku.edu) before 2 PM on 9/5/2019. Please remember that you must still submit hard copies of your proposal before the deadline.**
- B) Attached documents include Bank Account Volume and Balances, Purchase Order Vendor Spend, P-Card Vendor Top Spend, and P-Card Vendor List
- C) Please see the questions and answers below. There were some questions that NKU is continuing to research. We will send responses as soon as possible next week.

**General / Depository / Treasury**

1. What is the campus ERP system? **SAP**
2. Please provide Account Analysis Statements (grouped) for all accounts included in the RFP. **See attached file "Bank Account Volume and Balances" which provides the volume for banking services by account, by month for fiscal year 2018-19. The file also provides the average daily balance by account, by month for FY19 and the highest total daily balance by month (for collateral purposes).**
3. Pg. 22, B – What activities drive the coin/currency received by the University today? **Student/Parent Tuition/Fee/Room/Board payments brought to the customer service windows. Departmental Deposits.**
4. Pg. 22, C – This mentions the transporting of deposits – how is this done? Who is taking the deposits? Where are the deposits transported to (bank branch, vault etc.)? **Currently daily deposits are hand delivered to the on campus branch bank by the Director or Associate Director of Student Account Services.**
5. Pg. 22, F – How is coin and currency ordered today? Who is the courier service? **Student Account Services and campus departments fill any coin/currency needs by visiting the on campus branch bank. Currently no courier service needed because of the on campus branch location.**
6. Pg. 23, C – Please confirm the reference to "internet based banking services" is a file uploaded online or via direct transmission? **This will be utilized to upload a file online, however we are open to how the bank interacts with SAP.**
7. Pg. 23, G – Please explain what "at no additional charge" means. We see fees listed for depositing monies on the attachment #2. **NKU requests there be no charge to the University for counting of currency or rolling of coin included in all deposits made, as well as the ad hoc non-electronic activity upon request. There should**
8. Pg. 23, J – What are the preauthorized debits for? Are they initiated via direct transmission or online? **Different direct debit payments for example payroll taxes. They could be set up already with the vendor**

or submitted on the vendor's website. We would need to allow those through online access to your banking software.

9. Pg. 24/25, A – Repo sweeps are discussed for investing purposes. Is the appeal the safety of the investment? You also mention the Foundation and Agency accounts are paid the same interest rate as the sweep – is this treated as an interest bearing checking account? Please share methodology of the rate calculation. **Will update**
10. Pg. 24 F - How does the University send in Positive Pay information? Transmission or upload online? **Will update**
11. Please provide analysis statements on all accounts reflective of variations of volume if there are significant increases/ decreases in volume due to enrollment/ summer periods. AA statements should include all current volumes, deposit balances and ECR. **see attached file for volumes by account and month and the balances by account by month**
12. Deposit & Receipt Collection Services (Page 22):
  - a. Define 'picked up' please. Are you requesting courier services and/ or a bank employee to pick up deposits and facilitate the deposit? **In this case, 'picked up' is in reference to if a courier picked up the deposit or university personnel dropped it off at the bank , the expectation is that same day ledger credit will be given.**
  - b. Please further elaborate on 'Transporting of deposits daily'. **Whether it is done by an agreed upon courier service or completed by university personnel to the bank, the deposits will be done daily.**
  - c. Who is the courier referenced in this question? **Currently NKU personnel hand deliver deposits to the on campus branch bank. Courier service would be required if no on-campus branch location.**
  - d. Is NKU considering 'Check Guarantee' or just the conversion of the check from paper to electronic? **If check guarantee is possible, that is something we would like to discuss, at the very least check conversion is something NKU would like to have going forward.**
13. Please be sure it includes collected and ledger balances, services and unit volumes. **See question 11**
14. Are 90-day invoice terms negotiable? **Will update**
15. Page 22 C – Please describe how this process works today. **Currently daily deposits are hand delivered to the on campus branch bank by the Director or Associate Director of Student Account Services. Courier service would be required if no on-campus branch location.**
16. Does a courier pick up the deposits? **NO.** If so, who is the courier? What are the fees associated with your existing courier service? **NKU does not currently contract with a courier service because we currently hand deliver to the on-campus branch bank.**
17. Page 22 E – Please provide the average amount of endorsement stamps, deposit lock bags of various sizes, three-part deposit tickets, coin and currency wrappers and other bank supplies ordered in a month. **Endorsement Stamps – 15-20; Locked Dep bags, if courier svc 7-10 bags req; without courier (NKU personnel delivering and picking up to bank) then 5-8 locked bags req; also need 4-5 (6x11)zippered bags; NKU currently utilizes 4part deposit slips, ordering 2000-2500 annually.**
18. Please provide samples of all information reporting currently in use with your current bank (EDI reports received, ACH reports, ACH settlement, CSV files/reports)

19. How many items are on an EDI report received each month, on average? **NKU does not use EDI for Accounts Payable transactions**
20. Page 22 J Foundation Account – What is the interest rate of the University's sweep account rate? Top of page 25? **The Foundation's accounts are not required to be collateralized and therefore should earn a rate exceeding that of the University's Sweep account rate.**
21. How much in ACH Debits and Credits does NKU originate over a 3-day period? Total dollar amount of debits originated over 3 days and total dollar amount of credits originated over 3 days? How many batches per day? **This varies by the week and time of semester. When tuition is due, our debit volume could be hundreds of thousands of dollars and but outside of that time, it could be under 500,000 in a 3 day period. As for credit volume, that depends on the week and time of the month. The first week it could be a few million, not including when debt is paid. The other big period is towards the end of the month when we pay our monthly payroll. Outside those ranges, it could range from a couple of hundred thousand to a million in a 3 day period, depending on what is due and if a biweekly payroll is involved.**
22. Page 23 I Remote Capture – Approximately how many check scanners may be needed for how many locations? How many checks may be deposited in this manner per location? **Not yet determined but would likely be looking at a Minimum of 4 scanners for use in Student Account Services. For approx. checks deposited, see the Bank Account Volume and Balances spreadsheet.**
23. Is there an account that should never have a check cashed against it? If so, which one(s)? Is there an account that should never have an ACH transaction on it? If so, which one(s)? **we have 3 accounts that have an ACH block (Agency, International, Stream). All accounts but General, Student and Payroll should never have a check cashed against them. See provided volumes and balances file.**
24. How many checks do you receive on campus per month on average? **See Bank Account Volume and Balances spreadsheet.**
25. Please confirm if any of the funds in any of the accounts, including the Foundation, are currently collateralized. **By state law all of our university funds must be collateralized**
26. Please provide monthly balance information for all accounts for the period of one year. **See question 11**
27. Are any accounts earning ECR (earnings credit) to offset fees? If yes, which accounts? Please provide the rate calculation used for ECR. **Will update**
28. Is the University's primary objective to earn interest on balances or offset monthly fees with compensating balances? Does the University have a strategy or preference for liquidity? **Will update**
29. How are student refunds processed? In house? By a third party? Are checks and/or ACH issued? **in house through SAP and we utilize both checks and ACHs.**
30. Can the University provide a vendor listing so that we can analyze and determine the potential for a payables card program? **FY 19 (July 18-June 19) data is supplied in attached Excel file.**
31. No pricing lines or volumes are included for cash and coin ordering, can the University provide estimated volumes? **Student Account Services currently does not place cash or coin orders.**
32. How do you use EDI reporting? Is it for incoming EDI items only so you can receive the details? About how many items are received monthly? **NKU does not use EDI for Accounts Payable transactions**
33. Please confirm which accounts are ZBA – is there one parent and 5 subs? **Student, payroll and general are ZBA**

34. How many accounts have ACH initiation capabilities? **Four**
35. Does the University have ACH debit block or ACH debit filter (positive pay)? **Positive Pay**
36. Please explain what the following pricing lines are that are detailed in the #2 attachment:
- a. ISSUE MAINT UPLOAD PER ITEM **Positive Pay check uploads**
  - b. ACH ITEM ADJUSTMENT REQUEST **ACHs items that were submitted to the back but later requested to be changed before the file went through the clearinghouse per item**
  - c. INCOMING FED WIRE CTP **a different category of incoming federal wire**
37. Does NKU have an existing contract with an armored car service? If so, when is the contract up for renewal? **No existing contract – deposits are made at the campus branch currently.**
38. Provide the location(s) in which cash deposits are collected and the location(s) in which change orders are dropped off. **Departmental Deposits are collected and processed in Student Account Services. Any change orders departments may need, they would be guided to the on campus branch for filling.**
39. What is the average daily cash collected at each of the location(s) listed above? **Will update**
40. What is the average collected balance that the University maintains? What is the average collected balance that the Foundation maintains? **Approximately \$8 million is the Foundation's average operating daily balance (this excludes extraordinary large capital gifts not considered to be reoccurring)**
41. Please provide a copy of a recent composite bank account analysis statement. **Question 11**
42. How are the short-term funds currently managed (e.g. duration, sector exposure, allowable securities, etc.)? **Will update**
43. Would you consider a customized cash SMA? **Will update**
44. Who is currently managing the endowment/foundation assets? **Will update**
45. Is the foundation managed internally or externally? **The Foundation's endowment/assets are internally managed.**
46. Would you consider an OCIO (Outsourced Chief Investment Officer) model? **The management of the NKU Foundation Endowment is not part of the financial services RFP**
47. May we see a copy of your investment policy for both mentioned above? **The management of the NKU Foundation Endowment is not part of the financial services RFP. The NKU investment policy or a summary of the policy can be provided.**
48. Who is the decision maker for the above? **The management of the NKU Foundation Endowment is not part of the financial services RFP.**
49. Any additional details you can provide on the assets? **The management of the NKU Foundation Endowment is not part of the financial services RFP.**

#### **NKU ALLCARD QUESTIONS**

1. Is the technology used to create the Allcard (card printing machines) owned and operated by NKU, or does US Bank supply that technology? **Owned and operated by NKU**

- a. If US Bank supplies the technology, are you connecting into their core banking system in order to create a customer/student profile? **No**
2. Is the GET Application used to fund the card for NKU relates purposes (meal card, library card, etc.) operated by NKU directly, or does US Bank facilitate the funding of the card? **Our initial contract with USBANK called for them to fund the reO-carding of the entire university. After the initial re-carding NKU has funded the issuing of all new and replacement cards.**
3. Is the capability for a student to add debit card functionality to their Allcard a requirement, or would NKU be open to the idea of allowing First Financial to set the student up with a separate NKU branded debit card with secure EMV technology as well as Contactless “tap-and-go” payment technology? **NKU would be willing to discuss the functionality of a separate debit card with updated technology.**
4. Do you know how many students have added the debit card functionality to their Allcard? **I do not have the exact number, but, the number is in the thousands.**
5. Would NKU have a preference between the following options being tied to the Allcard:
  - a. Standard debit card functionality tied to a checking account. **Yes**
  - b. Prepaid (General Purpose **Reloadable**) functionality. **If our new agreement is with someone other than USBANK, it will be mandatory for the campus to be re-carded.**
6. Will you be re-carding all students, staff and faculty? **See above statement**
7. Is it mandatory to convert the existing ISO number from the financial processor or can a new ISO be used? **Mandatory to convert the existing ISO number**
8. Is there a separate 16 digit ISO number used for on-campus transactions? **No**
9. Does CBORD system run the on-campus transaction for cafeteria, vending machines, copiers and bookstore? **Yes**
10. Will CBORD provide all POS terminals? **No, the combination of the university and our business partner for food and beverage services, Chartwells provides all POS equipment.**
11. What type of POS terminals are currently used for campus transactions in cafeteria and bookstore? **Micros**
12. Is CBORD currently integrated with University bookstore? **Yes**
13. Who is the University bookstore vendor (university operated, Barnes & Nobles, etc.)? **Barnes and Noble**
14. What vendor provides access control for University facilities? **Aegis Protective Services**
15. What type of readers are used for access control (mag stripe, NFC, etc.)? **Mostly mag stripe**
16. Please further clarify your desire to maintain the current ISO number for students. (Page 27 - E) **Will Update**
17. Student loan programs: Is NKU asking for tuition reimbursement to be a part of the ALL CARD solution? What special promotional programs would NKU like to see? Please clarify. (Page 27 – H) **I think we need to strike this item. No one is sure what was intended by what’s in the RFP for this item.**

18. Is NKU planning to add chip technology to the ALL Card solution set? (Page 27 – I) **We would be open to this discussion based on the menu of services the financial services institution is offering. The decision will be focused on that and the amount of transitional work needing to be done by the university.**
19. Several of the statements in the Conversion section on page 28 of the RFP appear to be more applicable for a card system provider than a bank partner. With this RFP, is NKU looking for a card system provider as well as a bank partner? **No, NKU operates the CBORD card system and would maintain control of providing and operating the system.**

### **PCARD**

1. Does the University have a card program today? If yes, what is the existing spend annually? How many cards? **Approximately 400 PCARD** Please provide average transaction amount **\$300.00** and average number of transactions. **30,000** Please provide the annual spend of the existing card program. What is the breakout of LTI and discount spend? Have many card transactions make up the annual spend?
2. Please provide the annual spend of the existing card program. What is the breakout of LTI and discount spend? Have many card transactions make up the annual spend? **18/19 \$8,311,873.09, Large ticket purchases approximately 40 – average large ticket trans Size \$13,631.00** 4.6.5 Data Technology, Features and Functionality A. What information is the University looking for when referencing card security (A 4.) and card reporting and notification process (A 6.)? **We assume the banks are the experts in these areas. Some of these are detailed with our current program under Question 21.**
3. How many cards are currently in circulation as a part of the University's card program? **Approximately 400** Are the cards branded with NKU's logo? **YES**
4. 4.6.5 Data Technology, Features and Functionality A. What information is the University looking for when referencing card security (A 4.) and card reporting and notification process (A 6.)? **See Question 2 above.**
5. Who is your Expense Management partner? **We currently do not have one**
6. What is your annual P-Card spend? **18/19 \$8,311,873.09** What is the rebate earned on the P-Card currently and who is the provider of the cards? **1%, US BANK**
7. How many card holders do you have? **Approximately 400**
8. Do you have any vendor spend currently? If yes, what is the percentage (P-Card to Vendor Spend)? **Approximately 8% of overall spend.**
9. Will NKU provide the current Vendor list (Vendor Name, Vendor Address, Annual Vendor Spend)? **Yes**
10. What card brand(s) does NKU currently use (MasterCard, Visa, AMEX)? **VISA**
11. Who is the provider for the current Purchasing Card Program (Procurement, AP, Vendor Payments)? **US BANK, program housed in Procurement Services**
12. What Expense Reporting System does NKU use? **We currently do not have one.**
13. Does NKU currently use an e-payables (virtual credit card) program for vendor payments? If so, who is the provider of the program and what is the monthly/annual volume of spend? **Not currently using e-payable solution.**

14. Does NKU currently use Ghost/Lodged Cards (cards you exclusively use for one particular vendor i.e., Verizon)? If so, what is the monthly/annual spend attached to their use? **NKU does not currently use any Ghost/Lodged Cards**
15. How much (typical average) of the current Purchase Card and Corporate Card Program monthly/annual spend, if any, is in non-US dollars? **Insignificant if any.**
16. What is the number of cardholders on your program? **Approximately 400 PCARD**
17. What is the average transaction size? **\$300.00**
18. What are the current program **payment terms** (pay-in-full or revolving), **payment cycle + grace period**, and **credit line** for the Purchase Card (A/P) and the Corporate (T&E) Card? **Transactions paid daily – Auto pay daily, currently only have standard (One Card) and monthly line of credit for PCARD is 3,000.000 Holly**
19. What, if any, rebates and incentives does NKU currently have with its existing program(s)? **NKU receives an annual rebate, and NKU received a one-time sign on bonuses.**
20. Tell us what you like about your current card program?  
**NKU current PCARD Vendor:**
  - Dedicated PCARD team to NKU
  - 24/7 support
  - Customized PCARD
  - Customized Web-Based system for allocating transactions- receipt imaging – cardholders set up under hierarchy list – SAP
  - Cardholder Self- Registration
  - On line approvers – email can be sent
  - Customized MCC template
  - Transactions paid daily – Auto pay daily
  - Customized online training by roles
  - Chip/pin Card for travel
  - Real time limit controls
  - Fraud monitoring reporting system – weekly reporting – follow with NKU
  - Payment Analytics Systems
  - Travel Cards
  - Standards Cards
  - Disputing a transaction online – web based system
21. What pain points are you currently experiencing with your existing card program(s)? (i.e., what do you dislike/what does not work well with your existing Provider(s)? **Our current provide works well with our request for upgrades and suggestion that we have.**
22. Do you have a need for cash access on the Purchasing and/or Corporate Cards? **No cash advance on PCARD.**
23. How are you cost-allocating your Purchase and Corporate Card expenses? **Working in the web-based system each cardholder allocates an assigned cost center to each transaction, NKU is then provide with a file that is uploaded to the financial system SAP. Each cardholder only has access to their department cost centers.**
24. Would NKU please provide us with a vendor list (*supplier match template attached*) so that we can analyze the current spend and possibly uncover more card opportunities which would result in more rebate? **Yes we can send a file**

## **ATM / BRANCH**

1. What is the projected ATM usage? **The office of the Comptroller has management responsibility for all ATM machines.**
2. Please provide current volumes at existing locations. **Refer to information from #1.**
3. Will you supply the preferred locations and number of ATM's to serve NKU Students? Insights of where you would like the students to congregate now and in the future **Will update**
4. Will you supply Branch Teller counts and foot traffic at the current student banking center? Is this NKU's preferred site of an onsite branch? **This information is owned by our current financial institution. The university will not be releasing this information.**
5. Will you supply guidance on expected lease rates for ATM's, Student Branch? (We will need to work directly with Fairmount to get rates of mixed use site) **Anything related to lease rates for US27 development would have to be directed to Fairmount.**
6. What does a good relationship look like? **One that is a true partnership not just a vendor/customer relationship and is mutually beneficial to our partner and NKU, particularly our students/faculty/staff.**
7. Is the University willing to entertain a different location for the on campus branch? **Will update**
8. Will the University allow marketing access to employees? **Yes, on a limited basis if we determine it is beneficial to our employees and the university.**
9. Can the University provide teller transaction volume for the current on campus bank provider? **Will update**
10. How many ATMs are on campus, excluding BB&T Arena, and who owns the machines? **Will update**
11. Does the University have the ability to extend ID card and branch service contracts through June of 2020 or go month to month to aim for a summer transition to a new vendor? **We are not able to comment on that particular contract term.**

## **12. AP / Procurement**

1. Please provide the University's vendor file encompassing 12 months of history inclusive of the following items:
  - a. Vendor name, City, State, Zip Code, Address, Total Spend, Number of Transactions, Payment Type (ACH, Wire, Check) and # of invoices **See Excel File**

**NKU disbursement totals past 12 months (9/1/18 to 8/19/19):**

  - **Checks: 6,776 checks for a total of \$43,648,589.16**
  - **ACHs: 2761 ACH payments for a total of \$56,264,921.76**
  - **Wires: 15 Wire transfer for a total of \$174,747.00**
2. Along with card reporting capabilities is the University looking for an expense reporting platform or is the University utilizing a non-bank third party such as Concur Travel and Expense, SAP Cloud for Travel,

etc.? We use Concur but it is not mandated for our faculty or staff. We are always open to hear what options are available by prospective banks.

3. What is University's current payables mix? We use checks, ACH (PPD and CTX files), international wire transfers, direct debit for certain Payroll tax vendors and Procurement issued credit cards (Pro-Cards).
4. What challenges, obstacles, or delays in the University's disbursement process do you wish you could improve? We are interested in adding an e-payables solution to our mix of payables to maximize our credit card rebate. We would like to have a vendor onboarding solution to better vet vendors and their ACH information for accuracy to prevent any possible fraud or discrepancies regarding tax reporting. We would also prefer to send remittance information to vendors with our ACH payments which we currently do not do.
5. What goals would the AP department like to achieve in the near future? See above
6. What is the number of business to business check payments being made per month? In calendar year 2018 we had a total of 7399 A/P check processed so the average would be about 617 per month.
7. What percentage of payables uses a Purchase Order (PO)? If purchase orders are created does that process occur in the SAP system? From the beginning of FY19 (beginning 7/1/18) to our current date in FY20 (8/20/19) payables created from POs represent 64% of all payables. POs are created in SAP by the NKU Procurement Department based off of approved Purchase Requisitions entered by the requesting departments.
8. How many invoices does the University process on a monthly basis? In calendar year 2018 A/P entered 10243 invoice in SAP for an average of 853 per month.
9. In Section 4.6.3 - **You State** - "This contract will be for an initial term of seven (7) years with renewals for three (3) additional one (1) year terms". Specific to the Procurement Card service offering, would you consider alternative consortiums that may be financially beneficial to NKU, but may have shorter terms and require you to sign under the terms of that consortium? We are open to discussing
10. Does NKU desire to outsource/ automate their full payments department? No
11. Is there ever a need for foreign wires? If so, what currencies are required? Approximately how much in foreign wires are sent each month? What is your existing hedging strategy, if any? Yes, we process international wire transfers in USD by entering them in A/P by way of our current banks SinglePoint site and foreign currencies by way of their FX Desk. We have sent many different currencies by wire and would need access to a broad range. Our need to send wires varies by months and usually coincides with student study abroad programs; in general we don't send very many (see question 1 answer).
12. How many traveler's checks or cashier's checks are needed per month or per year on average? None
13. Disbursement Services (Page 23):
  - a. A. Is this an on-going request, meaning the winning bank would provide checks over the lifetime of the contract? We will always have a need to write checks since we have smaller vendors who might not take ACH or credit cards. We order our check stock through a third party vendor.
  - b. C. Is the payroll done in-house by NKU? If yes, is there consideration for a payroll partner/ vendor? Yes, the payroll is done in-house. At this time we are not considering moving payroll to a 3<sup>rd</sup> party.
  - c. E. Please clarify if the need for International/ Domestic WIRES is only USD. Need foreign currency also.

14. The RFP is due 9/5/19 – is there a specific time it needs to be delivered/received? **Delivery by 2 PM ET**
15. How often does the University write/issue checks? Daily, weekly, bi-weekly etc.? **Bi-Weekly A/P runs (Tuesday and Friday) and a weekly student check run every Friday.**
16. How often does the University issue ACH payments? Daily, weekly, b-weekly etc.? **We do ACH runs bi-weekly on Tuesday and Friday.**
17. Does the University use ACH for vendor payments today? If yes, what is the mix of check, ACH and card? **Yes, see above (#16). The majority of payments are processed as checks and NKU issued credit cards. We issue ACHs but it represents a smaller percentage of overall payment but we would like that number to increase and checks to overall decrease as much as possible. Please see response to question 1 also for A/P payables for numbers (ACH, checks, wires).**
18. Is payroll handled in house or by a third party? **Payroll is handled in-house**
19. Does the University use an expense management system? If yes, what is it? If no, how is expense reporting handled today? **We have an “in-house” reporting by way of SAP through their business warehouse reporting module and through SAP directly. We are always interested in any new and more streamlined technologies you might offer.**
20. What is the University’s goals relative to leveraging automation in the receivables and payables process? For example, would the University like to reduce manual time spent on current functions – if yes, what are those functions? **We are interested in any and all offerings that might work with our current SAP system capabilities.**
21. What is the volume of invoices the University processes annually? **See answer to question #8.**
22. Does the University use any type of AP work flow technology for approval routing? **Yes, every payment in SAP has a workflow for approval routing from travel, to purchase requisitions to parked vendor invoices.**
23. Currently, how many students are getting direct deposit via financial aid proceeds and payroll? What is the volume of deposits? Can you provide a break-down? **Around 700 students per bw payroll on average and depended on the time of the semester it could range between 300 to 6,000 per month for student aid refunds.**
24. With regards to your payables file submission process, is it a single file submission or are you sending separate files? **We send two ACH files for A/P on Tuesdays for employee travel reimbursements (PPD file) and for vendor payments (CTX file).**

**MERCHANT PROCESSING QUESTIONS - Merchant services is not part of this RFP – no information is being provided or solicited.**

**RS-8/23/2019**