



Chicago Teachers' Pension Fund

February 21, 2018

Questions and Answers #2 Related to the RFP for Banking Services

QUESTIONS ARE COMPILED BELOW, AS SUBMITTED (WITH CATEGORIES AND THE IDENTITY OF THE QUESTIONER REMOVED).

1. How many originated items are in the weekly ACH file for vendor payments? In approximation there would be no more than 10. For administrative expense payments?

Currently all administrative payments are made via check. There are approximately 15 payments per week.

2. What type of ACH information are you receiving today in your outbound file transmission? Is the information on a current day or prior day basis?

For security purposes CTPF will only provide this information to the vendor selected. For purposes of the RFP please provide available data fields from your system. The information is on a current day basis.

3. What is the frequency of the ACH outbound file transmission – daily, weekly, monthly?

Daily.

4. How are reclamations currently managed?

A CTPF Staff member has access to go in and process reclamations through an online portal.

5. Will ACH reclamation transactions be transmitted in a separate file?

Please see question #4 above.

6. What frequency will you send reclamation batches during the month?

Reclamations could be processed daily based on operational need.

7. Will you need a detailed ACH confirmation file transmission of all ACH payments successfully processed?

Yes CTPF will need a detailed ACH confirmation file transmission of all ACH payments successfully processed.

8. Are there any custom or exception ACH processes that a banking provider should be aware of?

Please note that Member payroll processing and funding of that payroll are separate processes as outlined in the RFP.

9. Do you request ACH payment deletes/reversals after you transmit the file to the banking provider? How frequently?

Yes there are approximately 80 to 100 per month.

10. In regards to Question #17 (Pages 6-7), will CTPF store member billing information on the Employer Reporting System (ERS)? Or will the bank provider also be asked to store member billing information?

CTPF will store the member billing information in the Employer Reporting System (ERS).

11. Is the volume of 200 stop payments per month consistent through the year?

Yes the volume is consistent.

12. What are the reasons for initiating a stop payment?

A stop payment would be initiated due to CTPF being advised of a change of address after the payment was released, operational instruction to stop a payment or a member advising us that a payment was lost.

13. How many accounts in total does CTFP have?

One.

14. How is each account currently being used? I.E is one strictly for payroll, another for disbursements?

All activity filters through one demand deposit account.

15. Is positive pay file sent through a transmission?

Yes, positive pay is sent through a daily file transmission.

16. Is there a need for wire transfer services or is everything paid through ACH and check? Are international payments sent?

We currently have wire transfer services to use in case of emergency. No, international payments are not sent.

17. Average account balances?

We maintain a daily balance of at least \$500,000 for operational payments.

18. How do you report in client control totals? Touchtone or transmission?

We report via transmission.

19. How many invoices are sent each month? Are you invoicing members and vendors? If so, how many in each category?

There are approximately 75 invoices per month. We are invoicing members, staff, and Charter Schools for payment of late fees. Approximately 55 invoices for members and staff and 20 Charter School bills.

20. Is your primary objective to earn interest on balances (earn highest rate of return) or to offset monthly fees with compensating balances? Or a combination of both?

Our objective would be a combination of both.

21. RFP Page 3, last paragraph – CTPF states that 54 checks are received from various sources. How are these checks deposited? Taken to the bank or remote deposit capture?

The checks are deposited via remote capture.

22. How many demand deposit accounts are requested?

One main account.

23. What are the average balances in each DDA?

We maintain a daily balance of at least \$500,000 for operational payments.

24. Have there been any past occurrences where the account funding was not received on the 1st (settlement date)?

Yes there was one operational error incident.

25. Would CTPF consider funding the account on the same day the ACH file is originated/sent to the Bank? Or, within 24 hours versus the requested 48 hours?

CTPF has to liquidate manager invested funds at the Custodian bank and we need 48 hours to do so.

26. The questions found in the bullet points below are related to the following RFP text: “CTPF would like to offer online payment processing via a secure internet gateway to members and employers for member payments (i.e. COBRA, Service Purchase Contracts, insurance, pension repayments, etc.) and, Charter School Late Fee Billing invoice payments. “

- How are these payments currently received? The payments are currently received via check.
- How many invoices are generated per month? Approximately 50.
- Do you allow payment via ACH, Check, Credit and Debit Card? Not at this time, however CTPF would like to do so.
- Do you currently produce an electronic invoice? No. However with the implementation of member self-service we would like to do so.
- If yes, is the invoice/bill sent via email? In member self –service the member would have access to their bills. Do you have a process for capturing email addresses? That is a component of implementation of member self-service.
- How do you update your receivables system with the payment information? It is updated via file upload.

27. In regards to RFP page 7, VII, Item #17C, the question suggests credit/debit card payments will be out of scope, but item #3 on page 4/21 suggests card payments are in scope. For each envisioned application, what

annual payment volume is expected to be collected through the requested online payment solution in terms of transaction count (#) and value (\$) by payment method (i.e., ACH and credit/debit card? If card payments are out of scope, enter "N/A". (We understand that volumes are estimates and are not guaranteed).

For clarification Credit card/debit payments are in scope for all categories as a future enhancement that CTPF would be interested in. The payments for all categories below would be via check currently. There is not a breakout of the payments available by category as they tend to fluctuate and we took a typical month to provide statistics but they would be part of the 54 deposits identified in the RFP.

	ACH		Credit/debit card	
	Annual transaction count (#)	Annual transaction value (\$)	Annual transaction count (#)	Annual transaction value (\$)
Cobra				
Service Purchase Contracts				
Insurance				
Pension Repayments				

28. In regards to RFP page 6, Section VII, Item #17, regarding the solution requested in Item #17 on page 6/21, does CTPF prefer to absorb all costs for this online payment solution, or pass the costs on to the payer in the form of a convenience fee charged in addition to the payment amount?

We would like to see the costs for both options.

29. In regards to RFP page 3, Section III, are vendor payments currently in place? If so, can you please provide the monthly volume of payments?

Vendor payments are currently processed as manual checks.

30. Can you provide the name of the ERP system and it tied into your back office system?

The Employer Reporting System is a CTPF developed application and it is not tied to our back office system at this time.

31. Can you please provide a copy of the CTPF's current Account Analysis statement?

For purposes of confidentiality we cannot provide this document.

32. Can you please provide a cash flow analysis for the 2017 calendar year? If not, what is the average ledger balance we should use in our proposal?

Our average daily balance is to be maintained at least at \$500,000. However it will be higher at payroll disbursement time – approximately \$116 million.

33. In regards to Scope of Work, page 3 of the RFP, is CTPF utilizing remote deposit capture to process the 54 received checks?

Yes we are using remote deposit capture.

34. In regards to Vendor Qualifications and Contract Requirements, page 5, regarding question #2: *“Ability to extend a temporary loan to CTPF for the window between the transmission of the Member payroll and actual funding of the Member payroll on the first business day of each month if funding from CTPF to the vendor is required prior to the first business day disbursement of member payroll.”* Please confirm if CTPF is requiring an ACH settlement line to cover these payments (roughly \$120MM).

Procedurally there is currently a loan for the 48 hour window between file submission and the funding of the disbursements on the first business day. This gives CTPF time to liquidate capital invested by our Managers so yes CTPF is requesting an ACH settlement line.

35. Regarding question #16 of Questions & Answers #1, *“How many stop payments per month?”* CTPF stated there are approximately 200. Are these stop payments being processed outside of the “check void” option for Positive Pay?

The stop payments are taken care of in the positive pay processing cycle.

36. Will you consider a provider that does not have a retail branch network?

We would be open to see what other options a provider could propose.

37. Will the assets of the CTPF collateralize extensions of credit by the Vendor for facilitating payments through the either direct extension of credit or overdraft protection?

We do not contemplate an arrangement of this nature.

38. What is the maximum anticipated overdraft amount? Are there circumstances that the amount would equal \$117MM or more that would be pension payments?

Yes. This amount could be increased at the beginning of the year due to payment of amounts owed pursuant to cost of living payouts.

39. If the vendor is expected to cover the OD will the assets of the funds be available as collateral for the short-term extension of credit or overdraft protection.

We do not contemplate an arrangement of this nature.

40. How do you typically fund the account?

We liquidate assets at BNY Mellon and transfer them to our current disbursement vendor.

41. In regards to Questions & Answers #1, question #8, how many other accounts do you need and for what purpose?

We may require an additional account for the Employer Reporting System payments. That would be a point of discussion during implementation planning.