

# CAMDEN COUNTY SENATE BILL 40 BOARD

REQUEST FOR PROPOSAL

## 2018-1: BANKING SERVICES

SUBMISSIONS SHALL BE ACCEPTED UNTIL  
FRIDAY, MAY 18<sup>th</sup>, 2018, at 5:00 PM

And received at:

100 THIRD STREET (if Hand-Delivered)  
PO BOX 722 (if Mailed)  
CAMDENTON, MO 65020

The undersigned certifies that he/she has the authority to bind this company in a contract to supply the products/services described herein in the manner and for the pricing submitted and in accordance with the outlined terms and conditions.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Authorized Agent (Print)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Signature

\_\_\_\_\_  
City/State/Zip Code

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone #

\_\_\_\_\_  
Date

\_\_\_\_\_  
E-mail

\_\_\_\_\_  
Fax #

# REQUEST FOR PROPOSAL

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Sealed offers will be accepted by the Camden County Senate Bill 40 Board for consideration in provision of the following:

## 2018-1: BANKING SERVICES

Submissions will be received by the Camden County Senate Bill 40 Board, P.O. Box 722 (if mailed), 100 Third Street (if hand-delivered), Camdenton, MO 65020 until 5:00 PM, on Friday, May 18<sup>th</sup>, 2018. Proposals will be publicly opened at the Camden County Senate Bill 40 Board monthly Board meeting on May 21<sup>st</sup>, 2018, and taken under advisement. Respondents should be aware that submissions are public record under state law. Specifications are available at [www.ccdrr.org](http://www.ccdrr.org) or by contacting Linda Simms at [linda@ccddr.org](mailto:linda@ccddr.org).

Equal Opportunity Employer

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Linda Simms  
Compliance Manager/Purchasing Officer

Lake Sun Leader: April 26<sup>th</sup> and April 27<sup>th</sup>, 2018  
Legal Notices  
Camden County Senate Bill 40 Board  
100 Third Street  
P.O. Box 722  
Camdenton, MO 65020

# REQUEST FOR PROPOSAL

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## 1.0 OVERVIEW

- 1.1 NOTIFICATION. This document constitutes a request for competitive, sealed offers per the provisions of this Request for Proposal (“RFP”) in providing Banking Services for the Camden County Senate Bill 40 Board (“Board”).
- 1.2 PROCESS. The Board will attempt to follow this timetable which shall result in the implementation of Banking Services by July 1<sup>st</sup>, 2018.

Issuance of RFP	April 26 <sup>th</sup> , 2018
Deadline for Questions – 5:00 PM	May 14 <sup>th</sup> , 2018
Deadline for Submittal of Proposals – 5:00 PM	May 18 <sup>th</sup> , 2018
Opening of Proposals – 4:00 PM	May 21 <sup>st</sup> , 2018
Interview with Selected Respondents (If Needed)	June 4 <sup>th</sup> – 6 <sup>th</sup> , 2018
Selection of and Award to Successful Respondent	June 18 <sup>th</sup> , 2018
Implementation of Banking Services	July 1 <sup>st</sup> , 2018

These dates are estimates and subject to change by the Board.

- 1.3 MANDATORY PRE-PROPOSAL CONFERENCE. There will be no mandatory Pre-Proposal Conference scheduled.
- 1.4 QUESTIONS, REQUESTS FOR CLARIFICATION OR INTERPRETATION. Respondents are advised that all questions concerning the meaning or intent of these specifications must be submitted **IN WRITING** and received by 5:00 PM on Monday, May 14<sup>th</sup>, 2018. All inquiries shall be directed to:

Linda Simms, Compliance Manager/Purchasing Officer  
Email: [linda@ccddr.org](mailto:linda@ccddr.org)

Contact with any other Board employee or Board member regarding this solicitation is expressly prohibited without prior consent. Respondents directly contacting other Board employees or any Board member risk elimination from further consideration.

- 1.5 ISSUANCE OF ADDENDA. Every attempt shall be made to ensure that all written questions receive an adequate and prompt response. However, in order to maintain a fair and equitable proposal process, all respondents will be advised of pertinent information related to this solicitation via the issuance of addenda which will be posted at [www.ccddr.org](http://www.ccddr.org). All issued addenda are incorporated by reference as if fully set out herein. It is the responsibility of each respondent to verify that they have received, acknowledged and included in their submission all addenda related to this solicitation; failure to do so may constitute grounds for proposal rejection. Respondents are cautioned that the only official position of the Board is that which is issued by the Board in these specifications or addendum/amendment thereto. No other means of communication, whether written or oral, shall be construed as a formal or official response or statement. Failure to have requested an addendum covering any questions affecting the interpretation of these specifications shall not relieve the awarded party from delivering the completed project, product and/or service in accordance with the intent of these specifications.
- 1.6 RESPONSE SUBMISSION. Responses shall be submitted in a **sealed envelope or box identified by proposal number and proposal title**; shall be complete and signed by an official authorized to obligate

the agency or company submitting the response; and shall include **one (1) complete original and four (4) exact duplicates**. It is the responsibility of each respondent to deliver his/her submission to the office of the Board, 100 Third Street, Camdenton, Missouri 65020 or mailed to PO Box 722, Camdenton, MO 65020, on or before the date and exact time indicated. **No fax or email submissions will be accepted**. Responses will be time and date stamped; those received late will be determined non-responsive and will be returned unopened to the sender without exception.

- 1.7 PROPOSAL OPENING. Submissions will be publicly opened and read aloud at approximately 4:00 PM on Monday, May 21<sup>st</sup>, 2018, during the May Board meeting at 255 Keystone Industrial Park Drive, Camdenton, MO 65020. Respondents and the public are invited but not required to attend the formal proposal opening. All documents will be made available for public inspection, but no decision relating to the award of the contract will be made at the proposal opening.

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## 2. TERMS AND CONDITIONS

- 2.1 **INCURRING COSTS.** The Board shall not pay for any information requested herein nor be obligated or liable for any cost incurred by any respondent in submitting a response.
- 2.2 **REJECTION, EVALUATION AND NEGOTIATION.** The right is hereby reserved to reject any or all submissions for any reason, in part or in whole, received in response to this solicitation; to waive or not waive informalities or irregularities in any response or the proposal procedures; to request supplementary information from respondents as determined necessary to effectively evaluate responses; to cancel this solicitation, advertise for new; and to accept or request clarification or further negotiate the terms, conditions and/or methodology of any response if, in the Board's sole judgment, the best interests of the Board will be so served.
- 2.3 **WITHDRAWAL.** Receipt of written notice or an in-person request from a properly identified individual prior to the official date and time set for proposal opening must occur in order to modify or withdraw a submission which has been delivered to the office of the Board.
- 2.4 **VALIDITY.** Respondents agree that submissions will remain valid for consideration by the Board for a minimum period of ninety (90) calendar days after the date specified for proposal opening.
- 2.5 **RESPONSE MATERIAL OWNERSHIP.** All material submitted in response to this solicitation becomes the property of the Board and may be disclosed upon proper Sunshine Law request per 610.021(12) RSMo.
- 2.6 **AS NEEDED, IF NEEDED.** The successful respondent shall provide product or service on an "as needed, if needed" basis for the Board in accordance with the provisions and requirements stated herein. Any quantities included in this request are based on estimates; the Board reserves the right to increase or decrease quantities to meet actual needs and maintain the quoted pricing and/or stated terms.
- 2.7 **EXCEPTIONS.** The wording of this solicitation may not be changed or altered in any manner unless done so by the Board via the issuance of an addendum or amendment. Taking exception to any clause in part or in whole does not necessarily disqualify a respondent; any such exception shall be clearly identified and described in full detail in the respondent's submission. Any exception will be evaluated and accepted or rejected by the Board, whose decision shall be final and conclusive. In the absence of such declaration(s), the response shall be accepted as in strict compliance with all terms, conditions, and specifications requested and the awarded party shall be held responsible for providing the product or service accordingly.
- 2.8 **RESTRICTIVE LANGUAGE.** It shall be the responsibility of respondents to ask questions, request changes or clarification, or otherwise advise the Board if any language, specification or requirement of this solicitation appear to be ambiguous, contradictory, and/or arbitrary, or appear to inadvertently restrict or limit responses to a single source. Such notification must be directed to the Compliance Manager/Purchasing Officer.
- 2.9 **INTERPRETATION OF DOCUMENTS.** Should any differences arise as to the meaning or intent of these specifications, the Board's interpretation shall be final and conclusive.
- 2.10 **ASSIGNMENT.** The awarded party shall not assign the contract, subcontract or sublet it as a whole without the prior written consent of the Board. Assignment, subcontracting or subletting without such consent will in no way relieve the awarded party of any of its obligations under this contract unless specified, in writing, by the Board.

- 2.11 CONFLICT OF INTEREST. In submitting a response, the respondent hereby covenants that at the time of submission, the respondent has no other contractual, professional or personal relationships which would create any actual or perceived conflict of interest. The respondent further agrees that during the term of the contract, neither the respondent nor any of its employees shall acquire any other contractual, personal or professional relationships which creates such conflict.
- 2.12 QUALIFICATIONS OF RESPONDENTS. The Board may make such investigations as deemed necessary to determine the ability of any respondent to provide the product and/or service described herein. Respondent shall furnish to the Board all such information and data for this purpose that the Board may request. The Board reserves the right to reject any submission if the evidence submitted by the respondent or investigation of such respondent fails to satisfy the Board that such respondent is properly qualified to carry out the obligations of the contract and/or to complete the work contemplated herein.
- 2.13 TAX EXEMPTION. The Board is funded by public monies and as such has been approved by the State of Missouri for sales/use tax-exempt status. The Missouri tax identification number and certificate is available to the awarded party upon request.
- 2.14 FUNDS. Financial obligations of the Board payable after the first fiscal year the contract is in place are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available. In the event funds are not appropriated, any resulting contract will become null and void without penalty to the Board.
- 2.15 PRICES. Prices must be stated in units of quantity specified and must be firm. Proposals qualified by escalator clauses may not be considered.
- 2.16 APPLICABLE LAW. In submitting a proposal, the respondent warrants that it has complied with all applicable laws, rules and ordinances of the United States, Missouri or any other governmental authority or agency in providing the product(s) or service(s) specified herein. Any contract resulting from this solicitation is to be interpreted by the laws of Missouri. The parties agree that the proper forum for litigation arising out of the contract resulting from this solicitation is Camden County, Missouri.
- 2.17 BASIS OF AWARD. Award shall be made to the responsible respondent whose offer best responds to the quality, capacity, and service requirements of the Board, as determined by the Board.
- 2.18 PREFERENCE. In making proposal awards, the Board shall give preference to all firms, corporations, or individuals that maintain office or places of business within the County of Camden when the quality of the commodity or performance promised is equal or better and the price quoted is the same or less. The Board shall also give preference to those firms that employ Camden County residents with disabilities, which includes developmental and intellectual disabilities as defined in RSMo 205.968 and RSMo 630.005.
- 2.19 CHANGE ORDERS. The final contract between the Board and the awarded party(s) will include, by reference, the awarded party's response and the specifications contained in this solicitation. The Board may make changes within the general scope of these specifications and/or the contract resulting from this solicitation, yet all departures from the specifications will be considered unauthorized unless the awarded party has obtained a change order, signed by the Board, authorizing and directing such changes or departures. Any work/service that is unauthorized, and the correction of such unauthorized effort, shall be at the awarded party's expense. No other individual is authorized to modify the contract in any manner.

## 2.20 CONTRACT TERMINATION.

2.20.1 TERMINATION FOR DEFAULT. If, through any cause, the awarded party shall fail to fulfill, in a timely and proper manner, its obligations under the contract resulting from this solicitation, or if the awarded party shall violate any of the covenants, agreements, or stipulations of said contract, the Board shall thereupon have the right to terminate this contract for cause by giving written notice to the awarded party of its intent to terminate and at least ten (10) calendar days to cure the default or show cause why termination is otherwise not appropriate. In the event of termination, all finished or unfinished documents, data, studies, survey, drawings, maps, models, photographs, and reports or other material prepared by the awarded party under this contract shall, at the option of the Board, become its property, and the awarded party shall be entitled to receive just and equitable compensation for any services and supplies delivered and accepted. The awarded party shall be obligated to return any payment advanced under the provisions of this contract.

Notwithstanding, the awarded party shall not be relieved of liability to the Board any damages sustained by the Board by virtue of any breach of the contract by the awarded party, and the Board may withhold any payment to the awarded party for the purpose of mitigating its damages until such time as the exact amount of damages due the Board from the awarded party is determined.

If after such termination it is determined, for any reason, that the awarded party was not in default, or that the awarded party's action/inaction was excusable, such termination shall be treated as a termination for convenience, as described herein.

2.20.2 TERMINATION FOR CONVENIENCE. The performance of work under the contract resulting from this solicitation may be terminated by the Board in whole or in part at such time that the Board determines that such termination is in the best interest of the Board. Any such termination will be affected by delivery to the awarded party of a letter of termination specifying the extent to which performance of work under the contract is terminated and the date upon which such termination is effective.

After receipt of a termination letter the awarded party will:

- Stop work on the contract on the date and to the extent specified in the letter.
- Place no further orders for materials, services or facilities except as may be necessary to complete any portions of the work under contract not terminated.
- Complete on schedule such part of the work as will not be terminated.

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### 3. SCOPE OF WORK

3.1 OVERVIEW. The purpose of this solicitation is to obtain competitive proposals from banking institutions which desire to be selected as the depository of the Board's funds. All services shall be pursuant to the applicable sections of Chapter 110 of the Missouri Revised Statutes of Missouri (RSMo), for the period of July 1<sup>st</sup>, 2018 through June 30<sup>th</sup>, 2020, and to potentially continue for an additional term of two (2) years at the Board's option. This contract will automatically renew under the same terms and conditions if a new contract is not executed prior to July 1<sup>st</sup>, 2020. Each respondent is encouraged to review the provisions of Chapter 110 RSMo and all statutes and cross references therein and will be expected to comply with said provisions.

3.2 REQUIRED SERVICES. Respondents shall consider the following:

3.2.1 ACCOUNTS. The Board currently maintains accounts for tax receipts received from the Camden County Treasurer and for services rendered to eligible Camden County residents with developmental disabilities, which will be considered in this proposal:

1. Camden County SB 40 Tax
2. Camden County SB 40 Tax Reserve
3. Camden County SB 40 Services

Information about the accounts is identified in Exhibit 1. The Board reserves the right to add or remove accounts at any time. Neither the number of transactions nor the balance of any account can be guaranteed for any portion of the term of this contract.

3.2.2 INVESTING. The Board will maintain separate accounts for each fund as outlined above. All Board funds shall be invested as if invested in overnight repurchases agreements with no funds being idle. Said investment shall comply with the pledged collateral requirements set forth in Chapter 110 RSMo and Camden County Senate Bill 40 Policy #27 – Investment of Board Funds (see Attachment A hereto). The Board may consider investment options other than those outlined in Policy #27, but the Board maintains sole discretion in choosing the option most beneficial.

3.2.3 BANK STATEMENT. The banking institution shall provide month-end statements, ending the last day of the month, to the Board by the tenth (10<sup>th</sup>) day of the following month (and to various auditors as requested). The bank statement shall reflect the regular account activity, including the beginning balance plus deposits less checks honored each month. The monthly bank statement shall show the invested pledged collateral balance each day and the rate. In addition, the statement shall summarize the average daily invested balance and weighted average rate. A statement and/or description of the pledged collateral shall also be submitted to the Board monthly, either in the same statement or a separate instrument.

3.2.4 ACCOUNT ANALYSIS. The successful institution shall provide individual and consolidated monthly account analysis showing transaction volume and cost of service for all accounts. The format of this analysis must be approved in advance by the Board. This analysis is due on or before the tenth (10<sup>th</sup>) day of the following month.

3.2.5 AUTOMATIC CLEARINGHOUSE. The Board has direct deposit by automatic clearinghouse (ACH) for employees' payroll checks; this shall continue for the term of the contract resulting from this solicitation. As such, it will be necessary to include ACH pricing.



- 3.2.6 CREDIT/DEBIT CARD SERVICES. The successful institution shall provide the Board with the ability to accept payment through the use of credit/debit cards. The Board does not currently accept MasterCard and Visa credit cards in person and for online collections, but desires to potentially establish this service. The Board shall be credited daily for the gross amount of the bank card transactions. Any sales discount fee or percentage proposed shall be accounted for and billed separately, by office/department, at the end of the month as part of the activity charges.
- 3.2.7 CONSOLIDATION. The Board requires the option to consolidate any funds and may request the bank to provide “Zero Balance Accounts.” This will allow separate accounts for check issuance with flexibility to pool money for investments.
- 3.2.8 INTERNET SERVICE. The successful institution shall be required to provide PC on-line account access with necessary safeguards including multi-level password security for such information and services as:
- Account Balance Inquiries
  - Account Transfers
  - Stop Payment
  - Wire Transfer
  - ACH Direct Deposit Creation
  - ACH Direct Payment
  - Positive Pay
  - Electronic Transfer of Withholding Tax Payments

The Board from time to time may request and receive additional services and information pertaining to this system for a reasonable fee.

3.3 RESERVATIONS.

- 3.3.1 CHECKS AND DEPOSIT SLIPS. The Board requests pricing for the provision of checks and deposit slips, but reserves the right to furnish its own at its discretion. Said charges will be evaluated independently of the base proposal. Note: All checks are currently printed in-house. Form and layout of deposit slips must be approved by the Board and copies of proposed checks and deposit slips must be furnished upon request.
- 3.3.2 INVESTMENTS OUTSIDE DEPOSITORY. The Board reserves the right to invest outside of the depository agreement for any of the investment accounts.

3.4 RESTRICTIONS AND COMPENSATION.

- 3.4.1 SECURITIES DEPOSIT. The market value of the invested pledged collateral maintained by the depository/financial institute shall at all times equal or exceed one hundred percent (100%) of the actual amount of the funds on deposit with the depository, less the amount, if any, insured by the Federal Deposit Insurance Corporation pursuant to Chapter 100.020 RSMo. The Board shall take possession and assume the responsibility of the safe keeping of the receipts. The bank will provide the Board written confirmation on a quarterly basis that collateral is sufficient to satisfy the terms of this paragraph.

**3.4.2 CERTIFIED CHECK. Chapter 110.140 RSMo requires each proposal shall be accompanied by a certified check for not less than two thousand five hundred dollars (\$2,500.00), as a guaranty of good faith on the part of the respondent. The awarded respondent shall provide the security required by section 110.010. Should the awarded respondent fail to provide the security required by law, the amount of the certified**

**check shall go to the Board as liquidated damages, and the Board may order a re-advertisement for proposals. Certified checks shall be returned to unsuccessful respondents after the award has been approved by the Board and to the awarded respondent after all conditions set forth herein are met.**

3.4.3 COMPENSATION. The banking institution shall collect service charges as outlined in their submission as compensation for services. Each account will be charged for the activity in the account, or at the Board's option, one or more of the accounts may incur all or some of the charges. **There will be NO CHARGES ACCEPTED BY THE BOARD OTHER THAN THOSE CLEARLY OUTLINED IN THE SUCCESSFUL RESPONDENT'S PROPOSAL** without the express, written consent, in advance, by the Board.

### 3.5 PROPOSAL REQUIREMENTS AND SELECTION CRITERIA.

#### 3.5.1 PROPOSAL FORMAT.

- Fully Executed Cover Page (Page 1 of this document)
- Table of Contents
- Profile of banking institution to include, but not limited to:
  - Year established
  - Identification of whether institution is statewide, regional or local
  - Business address of local office that would handle the Board's banking services
  - Detail of experience in handling cash management services of similar size and scope, preferably for accounts with which the institution is currently involved or which it has involved with within the past five (5) years.
- Description of the proposal approach for providing the services
- Description of value-added features/services that may be of interest to the Board and their associated costs/fees
- Description of value-added features/services that will be provided to the Board free of charge
- Discussion of the qualifications and skills of the individuals, as well as their direct supervisor(s), that would be working on the Board's cash management needs and the procedures that would be used in providing adequate and safe investments
- Description of the institution's ability to offer carrier services to the Board
- Description of Board staff support required
- Description of institution's community reinvestment
- Fully executed Depository Agreement (Exhibit 2) accompanied by an affidavit that the bank's board of directors has approved the agreement as a part of their proposal submission
- Overview of ALL costs to be incurred by the Board for each service as required herein including, but not limited to, those services outlined in Exhibit 3 – **There will be NO CHARGES ACCEPTED BY THE BOARD OTHER THAN THOSE CLEARLY OUTLINED IN THE SUCCESSFUL RESPONDENT'S PROPOSAL** without the express written consent, in advance, by the Board including:
  - Specific unit prices for each type of service, transaction, report, system, or any other separate cost to be incurred by the Board
  - Price changes or discounts related to the volume, period of service and/or number of different services provided by contract banking institution
- Fully executed Anti-Collusion Statement (Exhibit 4)

3.5.2 SELECTION CRITERIA. Proposals will be reviewed by individuals knowledgeable of the Board's requirements and the services to be performed. Award shall be made to the

responsible respondent whose offer best responds to the quality, capacity, and service requirements of the Board, as determined by the Board. An example of proposal comparisons is provided in Exhibit 5.

## ATTACHMENT A



Policy Number:

27

Effective: October 20, 2008

Revised: April 19, 2010, September 17, 2012,  
October 16, 2017

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Subject: Investment Of Board Funds

### **PURPOSE:**

All funds of Camden County Developmental Disability Resources (CCDDR) are held by the board in a fiduciary capacity. Therefore, all restricted and unrestricted funds of the organization are held by the organization as a steward for the sake of carrying out CCDDR's mission and objectives. The basic investment standards shall be those of a prudent investor as articulated in applicable state laws pertaining to political subdivisions of Missouri. The following instructions are to be understood and employed with that sense of stewardship in mind. Further, this investment policy is set forth in order that:

- There is a clear understanding of responsibilities and objectives of the board, its delegates, and chosen investment counselors
- The board will have a basis for evaluating the investment performance of each of the organization's investment funds

### **POLICY:**

#### **I. Scope**

This policy applies to the investment of all operating funds of the Camden County Senate Bill 40 Board, dba Camden County Developmental Disability Resources (CCDDR).

##### **A. Pooling of Funds**

In an effort to maximize account holdings and investment earnings, investment income will be allocated to various fund accounts based on their intended purpose and in accordance with generally accepted accounting principles.

##### **B. External Management of Funds**

Investment through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

#### **II. General Objectives**

The primary objectives, in priority, of investments activities shall be safety, liquidity, and

yield:

## A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

### 1. Credit Risk

CCDDR will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which CCDDR will do business
- Diversifying the portfolio so that potential losses on individual securities will be minimized

### 2. Interest Rate Risk

CCDDR will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities

## B. Liquidity

The investment portfolio/fund accounts shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio/fund accounts so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio/fund accounts should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio/fund accounts also may be placed in bank deposits or repurchase agreements that offer same-day liquidity for short-term funds.

## C. Yield

The investment portfolio/fund accounts 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, and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal
- A security swap would improve the quality, yield, or target duration in the portfolio
- Liquidity needs of the portfolio require that the security be sold

### III. Standards of Care

#### A. Prudence

The standard of care to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio/fund accounts. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the governing body and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

#### B. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. CCDDR employees, board members, and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio/fund accounts. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of CCDDR.

#### C. Delegation of Authority

Authority to manage the investment program is granted to the CCDDR Executive Director (hereinafter referred to as the Investment Officer) in consultation with an Investment Advisor employed at a local financial institution. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with the established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy, Financial Management Practices Policy, and the CCDDR Bylaws. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### IV. Investment Transactions

##### A. Authorized Financial Dealers and Institutions

Federally insured banks, credit unions, and other financial institutions are considered acceptable financial dealers and institutions. In the event Federally insured banks, credit unions, or other financial institutions are not intended to be used for investment purposes, a list of financial institutions, which are authorized to conduct and provide investment transactions and approved by the governing body, will be generated and maintained. In addition, a list of approved security broker/dealers selected by creditworthiness as determined by the investment officer and approved by the governing body will be generated and maintained. These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the CCDDR investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

##### B. Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure that will be reviewed annually with CCDDR’s independent auditor. The internal control structure shall be designed to ensure that the assets of CCDDR are protected from loss, theft or misuse and to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and record keeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of transactions for investments and wire transfers.
- Development of a wire transfer agreement with the lead bank and third party custodian.

### C. Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in eligible financial institutions prior to the release of funds. All securities shall be perfected in the name or for the account of CCDDR and shall be held by a third-party custodian as evidenced by safekeeping receipts.

## V. Suitable and Authorized Investments

### A. Investment Types

In accordance with and subject to restrictions imposed by current statutes, the following list represents the entire range of investments that CCDDR will consider and which shall be authorized for the investments of funds by CCDDR.

1. United States Treasury Securities. CCDDR may invest in obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. United States Agency Securities. CCDDR may invest in obligations issued or guaranteed by any agency of the United States Government as described in V. (2).
3. Repurchase Agreements. CCDDR may invest in contractual agreements between CCDDR and commercial banks or primary government securities dealers. The purchaser in a repurchase agreement (repo) enters into a contractual agreement to purchase U.S. Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices.
4. Collateralized Public Deposits (Certificates of Deposit). Instruments issued by financial institutions which state that specified sums have been deposited for specified periods of time and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by State statute.
5. Bankers' Acceptances. Time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. CCDDR may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
6. Commercial Paper. CCDDR may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total commercial paper program size in excess of five hundred million dollars (\$500,000,000).
7. Money Market Accounts. CCDDR may invest in money market accounts at Federally insured banks, credit unions, and other financial institutions. Money market accounts are required to be backed by acceptable collateral securities as dictated by State statute.



## B. Security Selection

The following list represents the entire range of United States Agency Securities that CCDDR will consider and which shall be authorized for the investment of funds by CCDDR. Additionally, the following definitions and guidelines should be used in purchasing the instruments:

1. U.S. Govt. Agency Coupon and Zero Coupon Securities. Bullet coupon bonds with no embedded options.
2. U.S. Govt. Agency Discount Notes. Purchased at a discount with maximum maturities of one (1) year.
3. U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only with final maturities of five (5) years.
4. U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term. Restricted to securities with final maturities of five (5) years.
5. U.S. Govt. Agency Floating Rate Securities. The coupon rate floats off one index. Restricted to coupons with no interim caps that reset at least quarterly.
6. U.S. Govt. Mortgage Backed Securities. Restricted to securities with final maturities of five (5) years.

## C. Investment Restrictions and Prohibited Transactions

To provide for the safety and liquidity of CCDDR's funds, the investment portfolio will be subject to the following restrictions:

1. Borrowing for investment purposes ("Leverage") is prohibited.
2. Instruments known as Structured Notes (e.g. inverse floaters, leveraged floaters, and equity-linked securities) are not permitted. Investment in any instrument, which is commonly considered a "derivative" instrument (e.g. options, futures, swaps, caps, floors, and collars), is prohibited.
3. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited.
4. No more than 5% of the total market value of the portfolio may be invested in bankers' acceptances issued by any one commercial bank and no more than 5% of the total market value of the portfolio may be invested in commercial paper of any one issuer.

## D. Collateralization

Collateralization will be required on three types of investments: certificates of deposit, money

market accounts, and repurchase agreements. The market value (including accrued interest) of the collateral should be at least 100%.

For certificates of deposit, the market value of collateral must be at least 100% or greater of the amount of certificates of deposits plus demand deposits with the depository, less the amount, if any, which is insured by the Federal Deposit Insurance Corporation, or the National Credit Unions Share Insurance Fund.

All securities, which serve as collateral against the deposits of a depository institution, must be safe-kept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date.

CCDDR shall have a depository contract and pledge agreement with each safekeeping bank that will comply with the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA). This will ensure that CCDDR's security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed financial institution.

#### E. Repurchase Agreements

The securities for which repurchase agreements will be transacted will be limited to U.S. Treasury and government agency securities that are eligible to be delivered via the Federal Reserve's Fedwire book entry system. Securities will be delivered to CCDDR's designated Custodial Agent. Funds and securities will be transferred on a delivery vs. payment basis.

### VI. Investment Parameters

#### A. Diversification

The investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

1. U.S treasuries and securities having principal and/or interest guaranteed by the U.S. government.....100%
2. Collateralized time and demand deposit.....100%
3. U.S. Government agencies, and government sponsored enterprises.....no more than 60%
4. Collateralized repurchase agreements.....50%
5. U.S. Government agency callable securities.....no more than 30%
6. Commercial Paper.....no more than 30%
7. Bankers' Acceptances.....no more than 30%

#### B. Maximum Maturities

To the extent possible, CCDDR shall attempt to match its investments with anticipated cash flow requirements. Investments in bankers' acceptances and commercial paper shall mature and become payable not more than one hundred eighty days (180) from the date of purchase.

All other investments shall mature and become payable not more than five (5) years from the date of purchase. CCDDR shall adopt weighted average maturity limitations that should not exceed three (3) years and is consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as in bank deposits or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## VII. Reporting

### A. Methods

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow CCDDR to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the governing body of CCDDR. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration (in accordance with Government Accounting Standards Board (GASB) 31 requirements). [Note, this is only required annually].
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investment by maturity date.
- Percentage of the total portfolio which each type of investment represents.

### B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks may be established against which portfolio performance shall be compared on a regular basis.

Commercial paper and bankers' acceptances must be reviewed monthly to determine if the rating level has changed. The commercial paper and bankers' acceptances should be reviewed for possible sale if the securities are downgraded below the minimum acceptable rating levels.

### C. Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least annually to the governing body of CCDDR. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

## VIII. Policy Considerations

### A. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

### B. Adoption

This policy shall be adopted by resolution of CCDDR's governing body. The policy shall be reviewed annually by the investment officer and recommended changes will be presented to the governing body for consideration.

## **REFERENCES:**

- Section 30.950 RSMo

**EXHIBIT 1**

<b>Average Ledger Balances for Periods</b>			
<b>2017</b>	<b>SB 40 Services</b>	<b>SB 40 Tax</b>	<b>SB 40 Tax Reserve</b>
January	\$265,503.51	\$299,181.02	\$218,417.57
February	\$260,574.40	\$1,074,529.06	\$218,494.17
March	\$272,239.82	\$1,026,289.27	\$226,620.50
April	\$255,563.03	\$984,296.08	\$228,631.72
May	\$291,781.63	\$865,971.85	\$228,701.88
June	\$299,594.27	\$752,090.13	\$228,784.59
July	\$304,525.07	\$660,003.56	\$228,859.81
August	\$300,437.11	\$556,552.15	\$228,937.56
September	\$308,237.32	\$505,019.63	\$229,015.34
October	\$289,851.21	\$442,624.87	\$229,088.12
November	\$276,205.41	\$376,787.76	\$229,168.46
December	\$272,007.52	\$388,309.13	\$229,243.80
<b>Averages</b>	<b>\$283,043.36</b>	<b>\$660,971.21</b>	<b>\$226,996.96</b>

**EXHIBIT 2**  
**DEPOSITORY AGREEMENT**

This Depository Agreement made and entered into this \_\_\_\_ day of \_\_\_\_\_ ,  
\_\_\_\_\_ by and between the Camden County Senate Bill 40 Board, hereinafter called “the Board”,  
and \_\_\_\_\_ hereinafter called “Depository Institution.”

WITNESSETH:

WHEREAS, the Board has deposited or may deposit public funds into the Depository Institution in amounts exceeding the applicable insurance provided by the Federal Deposit Insurance Corporation (FDIC);

WHEREAS, the Board has requested that its deposits in excess of the FDIC Insurance be otherwise secured;

WHEREAS, the Depository Institution is willing to provide the additional collateral to the Board securing its excess deposits by any of the following investments:

- (a) Obligations of the United States Government (Treasury Bills, Treasury Notes and Bonds, and certificate of Indebtedness) and other securities guaranteed by the Full Faith and credit of the United States of America as to the principal and interest.
- (b) Obligations of the United States Government agencies guaranteed by the full faith and credit of the United States of America as to principal and interest.

WHEREAS, the Depository Institution will provide that the above collateral will equal at least one hundred percent (100%) of the market value of the total investments including accrued interest.

WHEREAS, the Depository Institution will place the above securities for safekeeping in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank or through another financial institution not owned or controlled by the Depository Institution or its holding company;

NOW THEREFORE, the parties hereto agree as follows:

1. **SECURITY.** Respondent will need to provide the security that is required by §110.010 and §30.270 RSMo.
2. **SAFEKEEPING PROVISION.** The Depository Institution will place the above securities for safekeeping in a custodial account at a Federal Reserve Bank, a trust department or commercial bank or through another financial institution not owned or controlled by the Depository Institution or its holding company. The securities are to be released only upon joint written authorization of the Board (or duly authorized representative), and the officials of the Depository Institution. The Depository Institution may substitute or exchange securities held in the custodial account as outlined in this agreement.

A Custodial Agreement between the Depository Institution, the institution providing the safekeeping of the pledged securities (hereinafter called the Custodial Institution), authorizing the Custodial Institution to provide custody of securities for collateral of the Board deposits to

be executed and signed by officials of the Depository Institution, Custodial Institution and the Board. The Agreement is to outline the types of securities to hold for safekeeping. The agreement will authorize release of the securities only upon joint written authorization of the Board and the officials of the Depository Institution.

3. REPRESENTATIONS. The DEPOSITORY INSTITUTION represents the Board.
  - (a) That the Depository Institution is the sole legal and actual owner of the securities utilized for collateral deposits.
  - (b) That no other security interest has been, nor will be, granted in the securities utilized for collateral of the Board deposits.
  - (c) That the Depository Institution is covered for all the Board deposits up to \$250,000 (with no collateral) under the FDIC.
4. DEFAULT. The Depository Institution shall be in default if it fails to pay all or any part of a matured Certificate of Deposit or Repurchase Agreement investment including earned interest at the specified maturity date which is not covered by FDIC applicable amounts. The Depository Institution shall also be in default if ruled “bankrupt”, “insolvent” or “failed” by Federal Banking Regulations.
5. PROCEEDS. In the event of a default, failure or insolvency of the Depository Institution, the Treasurer of the Board (or duly authorized representative) shall be given the power of attorney authorizing transfer or liquidation of the securities utilized for collateral of deposits and placed in custodial account of Custodial Institution. If the security is transferred, ownership of the security will transfer with the defaulted amount of the matured investment, including accrued interest, plus expenses related to the liquidation transaction, shall be returned to the Depository Institution.
6. STATEMENTS. The Depository Institution agrees to furnish to the Board a statement listing a description of the securities pledged and held in safekeeping in the Custodial Institution on at least a quarterly basis. The statement will include par value, market value, interest rate and maturity date of the securities held in safekeeping. The same statement will also be available upon demand by the Board.
7. SUBSTITUTION. The substitution or exchange of like securities can be done without prior written agreement or oral notice from the Board provided the Board was granted a written notice granting authorization to the Depository Institution. A written notice stating the par value, interest rate, maturity date and market value at the date of substitution must be sent to the Board by the Depository Institution within five (5) days of any substitution or exchange transaction.
8. FINANCIAL POSITION. The Depository Institution will provide a statement of its financial position on at least a quarterly basis. The Depository Institution will provide an annual statement audited by its outside auditors including a statement by its outside auditors as to its “fair presentation.”
9. DIRECT AUTHORIZATION. The Depository Institution represents and warrants that this agreement is made pursuant in and is duly authorized by the Board of Directors of the Depository Institution.

10. NON-ASSIGNABILITY. The Collateral Agreement is not assignable in whole or in part, but is binding on the parties successors and assigns.

Banking Institution

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Address

Signature of Authorized Representative

Title

Date

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**EXHIBIT 3**  
**PRICE LIST ALL ACCOUNTS**  
*(Example Only)*

<u>Service Description:</u>	<u>Firm Fixed Price per Transaction</u>
Deposits	_____
Checks	_____
Deposit Items	_____
Local Deposit Items	_____
Return of Deposited Items	_____
Wire Transfer In	_____
Wire Transfer Out	_____
Online ACH Item Fee	_____
ACH Files Processed	_____
Return Item Notification Fee	_____
Two Signature Verification Fee	_____
Account Reconciliation per Item Fee	_____
ACH Debits Originated Fee	_____
Collateral Fee	_____
Re-Clear Item Fee	_____
Other Fee (Please Describe)	_____
Other Fee (Please Describe)	_____
Other Fee (Please Describe)	_____

**EXHIBIT 4**  
**ANTI-COLLUSION STATEMENT**

STATE OF \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

\_\_\_\_\_  
\_\_\_\_\_ being first

duly sworn, deposes and says that he is \_\_\_\_\_  
(title of person signing)

of \_\_\_\_\_

\_\_\_\_\_  
(Name of Respondent)

that all statements made and facts set out in the proposal are true and correct; and that the respondent (the person, firm, association, or corporation making said proposal) has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of the competitive process in connection with such proposal of any contract which result from its acceptance. Affiant further certifies that respondent is not financially interested in, or financially affiliated with, any other respondent for the attached proposal.

(BY) \_\_\_\_\_

(BY) \_\_\_\_\_

Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT 5**  
**Proposal Comparisons**  
*(Example Only)*

<b>RFP 2018-1: BANKING SERVICES</b>			
<b>PROPOSAL OPENING: 06/18/2018</b>			
<b>AWARD DATE: 07/01/2018</b>			
	<b>Bank A</b> <i>(Specify Service)</i>	<b>Bank B</b> <i>(Specify Service)</i>	<b>Bank C</b> <i>(Specify Service)</i>
<b>Interest Payments</b>			
\$0 - \$250,000.00	XX%	XX%	XX%
\$250,000.01 - \$500,000.00	XX%	XX%	XX%
\$500,000.01 - \$750,000.00	XX%	XX%	XX%
\$750,000.01 - \$1,000,000.00	XX%	XX%	XX%
Over \$1,000,000.01	XX%	XX%	XX%
<b>Fees</b>			
Deposits	\$XX	\$XX	\$XX
Checks	\$XX	\$XX	\$XX
Deposit Items	\$XX	\$XX	\$XX
Local Deposit Items	\$XX	\$XX	\$XX
Return of Deposited Items	\$XX	\$XX	\$XX
Wire Transfer In	\$XX	\$XX	\$XX
Wire Transfer Out	\$XX	\$XX	\$XX
Online ACH Item Fee	\$XX	\$XX	\$XX
ACH Files Processed	\$XX	\$XX	\$XX
Return Item Notification Fee	\$XX	\$XX	\$XX
Two Signature Verification Fee	\$XX	\$XX	\$XX
Account Reconciliation per Item Fee	\$XX	\$XX	\$XX
ACH Debits Originated Fee	\$XX	\$XX	\$XX
Collateral Fee	\$XX	\$XX	\$XX
Re-Clear Item Fee	\$XX	\$XX	\$XX
Other Fee (Please Describe)	\$XX	\$XX	\$XX
Other Fee (Please Describe)	\$XX	\$XX	\$XX
Other Fee (Please Describe)	\$XX	\$XX	\$XX