

APPENDIX A

GENERAL INFORMATION

1. Describe your bank's in-house ability to provide investment advisory services to the Board.
2. Will you be willing to honor all Payroll Checks presented by payee at any of your locations?
3. List your home office and branch office locations within "Florence e County".
4. Contact person (name, title, and phone number). Include contact information of all individuals that will be assigned to the Relationship.
5. Bidder agrees to the terms and conditions of this Request for Proposal except (explain in precise, exact particulars and use separate sheet if necessary).

Customer Service & Quality

1. Indicate the organizational structure of your bank for customer service.
2. Does the bank provide technical customer support for computer hardware, software and communications problems? If so, what are the hours of operation for technical support?
3. Describe in detail any quality improvement program you have in place. Provide statistics or other regularly available performance data related to the level of service quality and any other data that demonstrates your commitment to quality improvement.
4. Describe the bank's customer satisfaction program.
 - a. How do you measure customer satisfaction?
 - b. Do you compensate customer service representatives based on customer satisfaction?

Depository Services

1. Describe the bank's night drop, commercial ATM and branch service options.
 - a. Describe the security features used to secure any external night drop or ATM servicing locations.
2. What is the cut-off time to ensure same day ledger credit?

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3. What are the requirements for depositing un-encoded checks (e.g. pack size, audit tapes)?
4. Provide the bank's standard return item and re-clear processing instructions. List any non-standard options that are available.

ACH SERVICES

Processing

1. Based on the operational requirements listed in the Scope of Banking Services section, describe the service delivery method (e.g., Data Transmission, PC-based system, terminal input, Internet, FTP) that you recommend based on the business case which the company has outlined.
2. What are the hours of operation of the ACH processing unit?
3. Can the bank accept and process PPD payroll files for next day credit? If so, please describe the process and deadlines for submitting such files.
4. What controls are in place to protect against lost files and duplication of transmissions? How and when is the company notified of a duplicate file?
5. Specify encryption requirements for FTP transmitted files.
6. What back up procedures are available should our standard delivery mechanism fail?
7. What are the bank's recommendations regarding pre-notifications for the service being requested?
8. How does the bank handle file, batch and item reversals and deletions?
 - a. What are the deadlines for reversing or deleting a file? Batch? Item?
 - b. Describe your bank's process for reversing and deleting files, batches and items.
 - c. What security procedures are used? Do you provide standard request forms?
 - d. How is the customer notified?

Settlement

9. On what day (e.g., origination date, settlement date) and at what time is the customer required to fund ACH credits? Can this funding requirement change?
10. What time and day will the customer receive availability for ACH collections?

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Debit Authorization Service

1. Does the bank offer any service to protect our account from unauthorized ACH debits?
2. Can you block all ACH debits to our account?
3. Can you selectively accept ACH debits only from originators authorized by us?
4. How are such authorizations set up?
5. Can you ensure that originators do not charge our account for more than we have authorized?
6. How do you handle receipt of entries from unauthorized entities?
7. By what methods does the bank notify the customer of the receipt of unauthorized ACH debits?
8. Can the bank stop payment of individual transactions? Describe procedure.

POSITIVE PAY SERVICES

Competitive Position

1. Does your financial institution offer a same day or next day positive payment solution or both solutions?

Same Day Positive Pay

1. If your financial institution offers a same day positive pay service, describe how the process works.
2. What is the bank's delivery deadline for notifying the customer of exception items?
3. What is the response deadline for pay/return decisions?
4. Are approved exception items automatically added to the issue file for account reconciliation purposes?
5. If not, what is the mechanism to add to the issue file for account reconciliation purposes?

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6. What is the deadline for the transmission of the customer's check issuance files to the bank?

Next Day Positive Pay

7. If your financial institution offers a next day positive pay service, describe how the process works.
8. What is the bank's delivery deadline for notifying the customer of exception items?
9. What is the response deadline for pay/return decisions?
10. Are approved exception items automatically added to the issue file for account reconciliation purposes?
11. If not, what is the mechanism to add to the issue file for account reconciliation purposes?
12. What is the deadline for the transmission of the customer's check issuance files to the bank?
13. Describe all methods by which the bank can receive the file of all checks issued and voided by the company.
14. Describe all methods by which the company can send manual issues or deletes to the bank.
15. Are cashed checks verified against the issue file at the point of encashment (i.e., by your bank's teller)? If no, what is the process for dealing with cashed checks?
16. How are positive pay reports delivered (e.g., phone, fax, proprietary PC software, Internet)?
17. What methods (e.g., phone, fax, proprietary PC software, Internet) can the company use to notify the bank of its pay/no pay decision?

Information Reporting and Electronic Banking Systems

1. Describe the electronic banking systems and access methods (e.g., Internet, PC) that may be used to access account information.
2. Does the electronic banking system allow the company to access prior day information, current day information or both prior day and current day information?

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3. At what time is information available for access by the client?
4. Can the company create customized reports?
5. What are the hours of access of the electronic banking system?
6. Discuss the inquiry capabilities of the electronic banking system.
7. How many days of history can be accessed through the system?
 - a. Does the system provide for history inquiry by date range?
 - b. Can the client determine history retention?
 - c. Can the bank provide the client with a download of historical data? If so, in what format(s)?
7. What other bank services are available through the system? List all transaction types (e.g., wire transfers, stop payments) that can be initiated using the electronic banking system.
8. Does the electronic banking system provide image delivery for deposit, disbursement and/or adjusting items? If so, describe.
9. Can the bank provide the client with a CD-ROM of historical data? If so, describe data provided on CD-ROM.
10. Can data be exported from the electronic banking system to Excel and other software packages? Discuss.
11. Describe the bank's process for upgrading the electronic banking and information reporting system.
12. Is the company charged for upgrades?
13. Will the bank provide on-site training for upgrades and/or installation of upgrades?
14. Discuss the ability of the electronic banking system to interface directly with the accounting system, enterprise resource planning (ERP) system, and/or treasury workstation that the company uses.

User Security

1. Discuss the security features of the electronic banking system.
2. Describe the process for adding and deleting users of the electronic banking and information reporting system.

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- a. What methods (e.g., phone, fax, PC, Internet) may be used to initiate requests to add or delete users?
- b. How quickly can users be added or deleted?
3. Describe the process to log into the system. Are users required to change their passwords periodically?
4. Does the system log out users after a specified period?
5. Describe the security manager's functions. What audit features are available?
6. What access-control methods does the bank recommend to the company?

Bank/System Security

7. Describe the security procedures (e.g., hardware, software, and physical) that the bank uses to protect bank systems and client data from access by bank employees and vendor personnel?
8. What log/reporting information is kept to track bank or vendor employees who access the company's information or initiate transactions on the company's accounts? How long is this information retained?
9. Are Internet-access systems hosted internally by the bank, or by a third party hosting or co-location service?
10. Discuss the type and level of any authentication and encryption methodology used for communicating with clients.
11. Discuss the firewalls and intrusion detection systems that the bank has in place.

Disaster Recovery

1. Describe the procedures established for disaster recovery in the event of a systems failure or other disaster at the bank's primary processing site.

Wire Transfer Services

1. Briefly describe all wire transfer initiation products currently supported by the bank.

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2. For each method listed above, describe the process of initiation, approval and release.
3. What are the opening hours and the cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution? List by type of transfer and method of communication.
4. What is the cut-off time for incoming domestic wire transfers to receive same day credit?
5. Describe the bank's procedure for providing payment confirmation information (e.g. reference numbers) upon acceptance and execution of the payment order, including the availability and method of delivery of:
 - a. Internal confirmation/sequence number
 - b. Federal Reserve reference number
6. Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wire transactions? If so, what are the limitations? How many days/months in advance? Is the warehouse function limited to certain types of wire transfers and/or certain types of initiation methods? Explain.

ACCOUNT RECONCILIATION SERVICES

1. How soon after the cut-off date will the following be sent for partial account reconciliation:
 - Bank statements
 - Canceled checks (or microfilm/CD-ROM)
 - Reconciliation information
2. Do you offer Deposit Reconcilement, if so, explain how product works.