Request for Proposals (RFP) for BANKING SERVICES

Issue Date: June 6th 2019
Closing Date: July 5th 2019

NOACA is seeking a qualified bank to contract for banking services. The deadline for submittals is Friday, July 5th, 2019, 12:00 PM.
# TABLE OF CONTENTS

1. THE NORTHEAST OHIO AREAWIDE COORDINATING AGENCY (NOACA) ............. 3

2. INTRODUCTION and BACKGROUND ................................................................. 4

3. SCOPE AND PROJECT DETAILS ........................................................................ 4

4. ELIGIBILITY REQUIREMENTS ............................................................................. 8

5. PROCUREMENT TIMELINE .................................................................................. 9

6. EVALUATION CRITERIA ..................................................................................... 10

7. SUBMITTALS ..................................................................................................... 11

8. ADMINISTRATIVE PROCEDURES AND CONDITIONS ................................. 12

9. QUESTIONS ..................................................................................................... 13
1. THE NORTHEAST OHIO AREAWIDE COORDINATING AGENCY (NOACA)

The Northeast Ohio Areawide Coordinating Agency (NOACA) is a Cleveland-based transportation and environmental planning organization that serves as the metropolitan planning organization (MPO) and designated areawide water quality management agency for the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina in Ohio.

In these capacities it:

- Works with other organizations to help address northeast Ohio’s transportation, air quality, and water quality needs.
- Conducts metropolitan planning for various modes of transportation, including vehicles, freight, transit, bicycle, pedestrian, etc., while considering the transportation system’s impact on the environment and land use.
- Prepares the region’s long-range transportation plan and short-range transportation improvement program, which is the region’s capital budget for federally funded transportation projects.
- Conducts studies that address congestion, improve safety and strengthen community livability.

The vision of NOACA is as follows: NOACA will STRENGTHEN regional cohesion, PRESERVE existing infrastructure, and BUILD a sustainable multimodal transportation system to SUPPORT economic development and ENHANCE quality of life in Northeast Ohio.

NOACA is directed by a 45-member Board of Directors, representing the City of Cleveland and all five NOACA counties and their communities, plus transit agencies, the Northeast Ohio Regional Sewer District (NEORSD), the Cleveland-Cuyahoga County Port Authority, the Ohio Environmental Protection Agency (Ohio EPA), and the Ohio Department of Transportation (ODOT).

The NOACA region is home to 2.1 million people and over 150 units of government. The region is anchored by several urban core cities with the largest being Cleveland.

More information about NOACA is available on our website at www.noaca.org
2. INTRODUCTION and BACKGROUND

NOACA is seeking banking services for its primary operating accounts which include two demand deposit accounts, an interest bearing checking account, a savings account, and a credit card account. The Agency also is seeking access to a revolving line of credit in an amount not to exceed $1 million.

3. SCOPE AND REQUEST

Primary Bank Accounts

NOACA requires an operating demand deposit checking account with payroll direct deposit and ACH capabilities. The annual budget is approximately $8 million. Payroll is processed by ADP every other week to 40 employees with 60 transactions per pay and is sent two business days prior to payday, with the exception of weeks shortened by holidays. The chart below reflects NOACA’s level of banking activity. NOACA anticipates that proposed banking services will be compensated by the credit earned on average collected balances.

| BANKING ACTIVITY |
|------------------|----------------------|
| Transaction Type | Average Monthly Transactions 2018 |
| Checks Paid      | 69                   |
| Deposits Made    | 6                    |
| Deposited Items  | 28                   |
| Wire Transfers – incoming | 2                |
| Wire Transfers – outgoing | 2               |
| ACH Debit File Transactions | 14              |

1. Provide a copy of the monthly bank statement.
2. Account analysis/fee:
   a. Describe the institution’s process for calculating and collecting fees.
   b. Identify any compensating balance requirements associated with the fees;
   c. Provide monthly account analysis statements for each type of account with:
      i. Per unit costs
      ii. Number of transactions
      iii. Cost of each banking service
      iv. Total of collected ledger balances
      v. Amount, rate, and formula for calculating the earnings credit (if applicable)
      vi. The net service charge credit or amount of fees
3. Does the institution’s funds availability policies differ from the Federal Reserve Bank’s availability schedule? If so, please highlight the difference between the schedules.

4. Describe NSF or returned items processing procedures, fees or other related services available. NOACA requires re-depositing “NSF” or “uncollected funds” return items so that they may be presented a second time prior to being charged back.

5. Describe the bank’s stop payment services and fees.

6. Describe the bank’s wire transfer services and fees.

7. Describe the bank’s policy on receiving same-day credit for deposits and incoming wire transfers.

8. Describe the bank’s dispute resolution process.

9. Describe the bank’s sweep program, including conformity with collateralization and investment policies, how rates are determined, and how fees are calculated.

**Online Banking**

NOACA utilizes its online account to view daily transactions, print out monthly statements and to transfer funds between accounts.

1. Is the bank’s online banking system web-based or is software required to be installed on NOACA’s computer systems?
2. Describe how online access is restricted, controlled and protected. Does the institution utilize multi-factor authentication (MFA) in order to remotely access an account? If so, does it incorporate a physical aspect (e.g. fob) or an email/text/phone call?
3. Describe the various formats accepted/preferred by the institution’s online banking system for uploading or downloading banking information (e.g.pdf, csv, etc.)
4. Describe user support available for on-line banking services.
5. If selected for an interview, be prepared to demonstrate your on-line access.
6. Provide a detailed description of the bank’s online services and a list of all capabilities, including the ability to provide the following basic services:
   a. Reporting
      i. Daily balance reporting – summary and detail
      ii. Daily ACH and wire
      iii. Current day reporting
      iv. Reports convertible to Excel
   b. Execution of Transactions
      i. Transfers between accounts
      ii. Initiation of wire transfers
      iii. Initiation of stop payment orders
      iv. Initiation of ACH transactions
   c. Internal Controls
      i. Online cleared check information/images
      ii. Multi-level security administration requirements
      iii. Training of administrator for managing access
7. Describe the bank’s online availability of monthly checking account statements with images of cleared checks. NOACA prefers accessibility of statements the morning after the month end.
8. Describe how long report images are maintained online.

Electronic Funds Transfers

NOACA utilizes ACH (Automated Clearing House) services to receive deposits from the state government for state and Federal grant reimbursements, to pay direct deposit payroll and to pay state retirement expenses.

1. Is the responder able to provide connection through the Automated Clearing House (ACH) as well as the Federal Reserve for funds transfers and wires both initiation and receipt?
2. Describe the bank’s ACH services including:
   a. The format of ACH payment data files;
   b. Cut off times for direct deposit payroll;
   c. The method of communicating re: ACH return/reject transactions;
   d. The ability to delete or retrieve transactions before transmission;
   e. The methods by which the Agency can submit or initiate ACH transactions;
   f. The pre-notification policy and any cost associated with it;
   g. Security measures in place for ACH initiation/origination and reception; and
   h. Information on any ACH filters and blocks.
3. Comment on the ability to initiate both non-repetitive ACH and wire transfers via the internet, as well as the ability to create templates for funds transmissions to specific vendors.
4. When are incoming and outgoing ACH and wire transfer posted to accounts? When is a record of the transaction available for NOACA’s access?

Collateralization

NOACA participates in a third party collateral agreement for collateral against deposits.

1. Describe how you would meet the statutory requirements for this depository collateralization, including:
   a. Funds to be collateralized
   b. Eligible collateral instruments
   c. Margin requirement
   d. Third party safekeeping requirements
   e. Pooled collateral services utilized

Corporate Credit Card Services

NOACA has a credit card account with two credit cards and a combined limit of $20,000. The NOACA Credit Card Policy is attached.

1. Describe the process for new card issuance, deleting, replacing, modifying, fraudulent activity resolution, including online card management.
2. Detail fees for maintaining the credit cards.
3. Provide information regarding rewards or rebates from card usage.
Merchant Credit Card Services

The Agency uses PayPal to process online payments for registrations and sponsorships. No other payments are received via credit cards. NOACA would be interested in lower cost options of receiving credit card payments.

1. Describe access to merchant banking services that would provide the ability to accept credit card payments online for registrations and sponsorships.
2. Provide rate and fee structure
3. Describe security features including account encryption and purging policy
4. Provide information regarding Payment Card Industry (PCI) data security standard compliance and liability
5. Describe the chargeback policy

Revolving Line of Credit

NOACA is seeking a line of credit up to $1 million as a contingency plan in case of an extended government shutdown or other unexpected event. The agency receives monthly reimbursements from the Federal government for approximately 80% of its expenses. A line of credit would provide an additional safety net beyond the cash reserves that are available to pay upfront expenses. NOACA’s Revolving Line of Credit Policy is attached.

1. Describe the availability of a revolving line of credit including closing costs, interest rates on drawdowns and fees, if any, on the unused balance.

Bank Account Reconciliation Program (ARP)

The Agency does not currently use an ARP but is interested in exploring the use of this service.

1. Describe the bank’s account reconciliation program (ARP):
   a. The type of ARP services available
   b. Sample reports
   c. File transmission deadlines
   d. File layout requirements
   e. Imaging capabilities
   f. System requirements
   g. Related fees

Positive Pay Services

NOACA does not currently utilize a positive pay service but is interested in exploring the use of this service.

1. Provide sample reports
2. Describe the service, including:
   a. Positive pay services and verification items
b. Data transmission methods and time windows

c. Control options – notification of default

d. Internet/online access (including technical capabilities and system requirements)

e. Related fees

Disaster Recovery

1. In the event of a system failure, weather emergency or other disaster, describe how the financial institution would provide uninterrupted essential banking services.

2. Describe any interruption of services and time to recover to normal operating conditions following any major storm that has hit your financial institution.

3. How often are disaster recovery procedures tested? When were the disaster recovery procedures last tested and updated? What were the results?

4. Describe off-site back-up storage facility capabilities. How long does it take to become operational following an incident?

Relationship Management

Identify officers and support personnel who will be assigned to the accounts of NOACA for purposes of customer service operations and treasury management. Include the credentials and experience as well as contact information for each person named.

General Information

1. Provide an overview of the responder’s organization including the size, qualifications, numbers of years in business, number of branches in Cuyahoga County, Ohio, and other matters related to the evaluation process.

2. Provide:
   a. Uniform Bank Performance Report with three full fiscal years
   b. Rating agency ratings
   c. Most recent Community Reinvestment Act (CRA) rating.

3. Describe the financial institution’s experience in providing services within the public sector, with particular attention to non-profit and government agencies.

4. Provide a list of three clients for which the responder has provided similar service within the past three years, two of which should be current customers. Include contact information and a statement consenting to allow NOACA to contact the references.

5. Describe the implementation plan and timetable for conversion, including testing, training and conversion. Include estimated costs and a description of the implementation team at the bank as well as the recommended team at NOACA.

6. What security features are in place to minimize the risk of unauthorized transactions?

7. Please confirm that neither the institution nor any of its directors, officers, employees or controlling shareholders are currently a party to a cease and desist order issued under Ohio Revised Code Section 1125.08.

8. Provide acknowledgement of receipt of NOACA’s Investment Policy.

9. Discuss any special conditions, other fees, other services, or deviations from the requested scope.
OPTIONAL BANKING SERVICES

Provide information on alternatives, enhancements, or improved methods of providing the services mentioned above or services not mentioned that the bank believes would be beneficial to the Agency. Those services should be priced separately from the services above.

4. ELIGIBILITY REQUIREMENTS

Financial institutions submitting proposals for banking services must meet the following minimum qualifications:

- Must be insured by the Federal Deposit Insurance Corporation (FDIC);
- Must be an institution chartered by the United States Government or the State of Ohio and authorized to do business in the State of Ohio;
- Must be a member of or have access to the Federal Reserve System and have access to all Federal Reserve System services;
- Must be a member of the National Automated Clearing House (ACH) Association and be able to initiate and receive ACH transactions;
- Must be in compliance with all applicable laws, rules, regulations, and ordinances of the State of Ohio and the United States, including collateral requirements;
- Must have an established office or local branch within the Cleveland metropolitan area with physical proximity to NOACA offices at 1299 Superior Avenue, Cleveland, Ohio.

5. PROCUREMENT TIMELINE

NOACA’s process and timeline for the selection of a consultant are as follows:

TIMELINE

June 6th, 2019, Request for Proposal’s (RFP) Released by NOACA

June 20th, 2019, Deadline for questions and clarifications (Answers will be posted to NOACA’s website no later than June 24th end of day)

July 5th, 2019 – Proposal’s Due (12:00 Noon) Submittals must be received at NOACA by the above deadline. Submittals should be marked to the attention of Susanna Merlone. Digital proposals are to be submitted via email to procurement@mpo.noaca.org, but NOACA assumes no responsibility for formatting or transmission errors. Submittals received after the deadline will not be considered. Please reference “BANKING SERVICES” in the email subject line.

July, 2019, Evaluations. An evaluation team will select candidate(s) from submittals received for interview(s). This process will include review of submittals, references and other information as necessary, as well as the rating of submittals.

July 15th and 16th, 2019. Interviews with Selected Candidates (If Needed) Interviews will provide an opportunity for NOACA and selected candidates further to gauge their fit and ability to work with each other.

August,-September, 2019 – Committee and NOACA Board approval
NOACA will confirm receipt of all complete applications. Applications must be received by NOACA no later than 5:00PM on **July 5th, 2019**, to be eligible. All questions regarding the application process must be directed to Susanna Merlone. Please contact Susanna Merlone at 216.241.2414 ext.108 or SMerlone@mpo.noaca.org.
6. **EVALUATION CRITERIA:**

**SELECTION CRITERIA**

Proposals will be evaluated by NOACA staff and recommendations made to the Finance and Audit Committee, Executive Committee, and Board of Directors. Evaluations will be based on the following criteria:

- Responsiveness to the RFP;
- Ability to perform required services at minimal cost;
- Technical ability and customized services based on materials submitted in the written proposals or subsequent written addendum;
- Financial condition of the institution;
- Conformity with Chapter 135 of the Ohio Revised Code and relevant Federal regulations;
- Rate of return on account balances;
- Community presence;
- Experience in providing depository services to similar accounts
- Any additional services offered

7. **SUBMITTALS**

7.1 Instructions for Submission of Responses

All responses to this RFP shall contain the following sections in the following order:

1. Letter of interest
2. Address the questions detailed in the Scope and Requests Section starting on Page 4.

Submissions for items 1-6 must be made electronically by **12:00 noon on Friday, July 5th, 2019**, using a PDF or Microsoft Office format. Proposals must be sent to procurement@mpo.noaca.org with “BANKING SERVICES” in the subject line. For items 1-6, the number of pages per section must not exceed the number detailed below. The largest file size attachment that may be emailed is 65mb. For file sizes larger than that, respondents must provide an FTP link with the file, including any necessary logins and passwords before the procurement deadline. Paper submissions will not be accepted.

Supplementary and/or reference material, may be submitted or referenced as a DVD, website, via FTP, or other media or means. Accessibility to any website or platform, including any login information and passwords must be provided. Such material or references, including authority to review such information (if client-proprietary, for example) must be made available by the procurement deadline indicated above. Any media that must be mailed shall be sent to the address below and shall be referenced in the pdf document containing Sections 1-6. (Any items mailed or sent via courier services must arrive before the procurement deadline to be considered as submission supplementary material.)
Submittals received for items 1-6, above, will be confirmed via email. Please call (216) 241-2414 if you do not receive an email response within 48 hours indicating that your submittal was received.

7.2 Submittal Details

Proposal package should include the following:

1. **Letter of interest** – Must be no more than 2 pages and include contact information and authorizing signature.
2. **Scope and Requests** – No more than 12 pages in length addressing the questions contained in the scope.
8. ADMINISTRATIVE PROCEDURES AND CONDITIONS

A. Consultants agree not to discriminate against any employee or applicant for employment because of race, color, religion, age, creed, sex, sexual orientation or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Consultants further agree to comply with all requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq., 49 C.F.R. Part 21.

B. The proposal, including price, shall be valid for at least nine months from the date of submission.

C. An RFP does not constitute an offer or a contract. No contract may be awarded without a resolution by the NOACA Board of Directors.

D. NOACA reserves the right to cancel or reissue the RFP or to revise the timeline at anytime.

   NOACA reserves the right to reject any and all proposals and to waive minor irregularities in the proposal process. NOACA may accept any proposal if such action is believed to be in the best interest of the agency.

E. NOACA is not liable for any cost incurred by the proposer prior to execution of a contract.

H. The contract between the successful proposer and NOACA shall include all documents mutually entered into specifically, including the contract instrument, the RFP and the response to the RFP. The contract must include, and be consistent with, the provisions stated in the RFP.

I. The prime consultant or system provider will be required to assume the responsibility for all services offered in the proposal regardless of whether directly performed by the prime consultant. Further, the prime consultant will be the sole point of contact for NOACA with regard to contractual matters.

J. The consultant project team shall be approved by NOACA. NOACA must approve any changes in the project team.

K. Any award of contract will be to the consultant or contractor that provides the highest value relative to costs.

L. Consultants must show proof of liability insurance.

M. NOACA reserves the right to cancel or reissue the RFP or to revise the timeline at anytime.
9. QUESTIONS

For questions regarding the RFP, please contact procurement@mpo.noaca.org. All questions must be submitted by email by **noon on June 20th, 2019**. All answers will be publicly posted on www.NOACA.org.
INVESTMENT POLICY
Northeast Ohio Areawide Coordinating Agency

October 10, 2014

I. POLICY

The purpose of this investment policy is to establish investment and cash management guidelines for the officials of the Northeast Ohio Areawide Coordinating Agency (NOACA) who are responsible for management of the Agency's funds. It is the policy of NOACA to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to all financial assets of the Agency. These funds are accounted for in the Agency's Annual Financial Audit Report and include:

1. General Fund
2. Special Revenue Funds

III. RESPONSIBILITY

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 possible income to be derived.

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price charges, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. INVESTMENT OBJECTIVES

The financial objectives for the investment of the agency's funds shall be as follows:

1. Safety. Investments should preserve the capital of the Agency. Safety of the principal is the foremost objective of the investment program. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The objective will be to minimize credit, concentration and interest rate risks.

A. Custodial Credit Risk – The risk that, in the event of a failure of a counter party, the agency will not be able to recover the value of its investments or collateral securities that is in the possession of an outside party. The Agency employs the use of “safekeeping” accounts to hold and maintain custody of its investments as identified within this policy and as a means of mitigating this risk.

B. Concentration Risk – The Agency may invest in any investment that is not specifically guaranteed by the U.S. Government or considered a money market mutual fund up to fifty percent of total available investable cash at the end of each month during the fiscal year. The Agency will disclose investments in non-U.S. securities or money market mutual funds if exceeding five percent by issuer of total cash and investments.

C. Interest Rate Risk – The risk that the Agency will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy, by limiting investments to certain maximum maturities. As a rule, unless specified otherwise within the policy, Agency investments are to have a maximum maturity of five years unless the investment is matched to a specific expenditure. The context of a specific investment purchase must be weighed in proportion to the remainder of the existing investment portfolio and the “prudent investor” rule to attempt to limit such risk.

D. Foreign Currency Risk – The Agency is not authorized to invest in investments, which have this type of risk.

2. Liquidity. Investments should be sufficiently flexible so that the organization may readily meet its anticipated operating cash requirements.

3. Yield. Investment returns should be optimized within the constraints of the objectives of safety and liquidity.

   a. Short Term. The objective of this portfolio component is to allow timely payment of obligations while earning a rate equal to or greater than STAR Ohio or equivalent eligible money market mutual fund.

   b. Long Term. The objective of this portfolio component is to earn a rate of return equal to a benchmark selected that approximates the desired maturity characteristics of these funds.
V. DELEGATION OF AUTHORITY

Authority to manage the Agency's investment program is derived from O.R.C. 2109.37 and 2109.371. Management responsibility for the investment program is hereby delegated to the Investment Officers (Governing Board Treasurer, Finance & Audit Committee, Executive Director, Finance Director and Agency Legal Counsel). The Finance Director shall establish written procedures for operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Executive Director any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to performance of the Agency's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Agency, particularly with regard to the time of purchases and sales.
VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness who are authorized to provide investment services in the State of Ohio. These may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1. No public deposits shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified suppliers of investment securities will be required to furnish the Finance Director with current audited financial statements and certification that they have received, read and understand the investment policy of NOACA. A file will be maintained by NOACA.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS/MAXIMUM MATURITIES

Investment officers are empowered by statute to invest funds of the agency in the instruments listed below. The maximum final maturity of any investment will be five years from the date of purchase. No derivative securities or investment “pools”, with the exception of STAR Ohio, will be permitted. Due diligence is required prior to investing in “pools.”

1. Short-term
   a. Negotiable Order of Withdrawal (NOW) accounts in federally-insured financial institutions and collateral at 105% of deposited amount.
   b. No load money market mutual funds consisting exclusively of obligations described in division B (1) o (2) of Section 135.14 and repurchase agreements secured by such obligations.
   c. Certificates of Deposit in eligible institutions as provided in 135.08 of the Revised Code.
   d. Repurchase agreements (not to exceed 30 days) as permitted under Section 135.14 (E) of the Revised Code.
   e. STAR Ohio (Local government investment pool)
   f. Commercial Paper rated in the highest category by two nationally recognized rating agencies and with maturities not to exceed 270 days, with a maximum total of 40% of the portfolio and a 5% single issuer limitation
2. **Long-term**

   a. Direct obligations of the U.S. Treasury, its agencies, instrumentalities and Government Sponsored Enterprises (GSEs).
   b. Certificates of Deposit in eligible institutions as provided in 135.08 of the Revised code.
   c. STAR Ohio (Local government investment pool)
   d. Negotiable Order of Withdrawal (NOW) accounts in federally-insured financial institutions and collateral at 105% of deposited amount.
   e. Municipal Debt-Bonds and other obligations of political subdivisions of Ohio, rated in the three highest rating classifications and a maximum of 20% of the portfolio.
   f. Certificate of deposit exempt from Pledging requirements per ORC 135.144 (CDARS)

**IX. MAXIMUM MATURITIES**

To the extent possible, the Agency will attempt to match its investment maturities to anticipated cash flow requirements. If not matched to a specific cash flow, the Agency may purchase investments with a stated final maturity not greater than two years from the settlement date. Reserve Funds may be invested in instruments with a final stated maturity not to exceed five years from the settlement date.

**X. COLLATERALIZATION**

Collateral for certificates of deposit and repurchase agreements will be provided as required by the Ohio Revised Code, Sections 135.18 and 135.181 and deposited with a qualified trustee. Collateral statements will be provided by the depositories as required by the ORC.

**XI. SAFEKEEPING AND CUSTODY**

All security transactions, including collateral for repurchase agreements, entered into by the Agency shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Finance Director and evidenced by safekeeping receipts.

**XII. DIVERSIFICATION**

The Agency will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Agency's total investment portfolio will be invested in a single security type or with a single financial institution.

**XIII. INVESTMENT PRACTICES AND REPORTING**

The Finance Director shall establish an annual process of independent review by the Agency’s auditors in conjunction with their periodic review of the Agency’s financial statements. This review
will provide internal control by assuring compliance with policies and procedures.

The Finance Director shall prepare and submit periodic reports on investment activity to the Board of Directors at its regularly scheduled meetings. These reports will provide investment account listings, account balances and interest rates.

Financial Statement Disclosure

1. The Agency will disclose credit quality ratings of external investment pools, money market funds, bond mutual funds and other pooled investments of fixed-income securities. The Agency will disclose if the investment is not rated.

XIV. PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain market average rate of return during budgetary and economic cycles, taking into account the Agency's investment risk constraints and cash flow needs.

The basis used by the Finance Director to determine whether the portfolio is achieving a market return shall be a commonly available and acceptable benchmark that approximates the portfolio’s configuration.

XV. CASH MANAGEMENT

Cash balances are required in the operating account for biweekly payroll, monthly accounts payable processing and other manual checks required throughout the month. Cash balances are monitored daily to ensure there are sufficient funds to cover these expenditures. The Finance Director will transfer funds to/from the operating account to maintain adequate balances for monthly operating expenses. Any excess funds will be invested through authorized investment instruments.

XVI. INVESTMENT POLICY ADOPTION

The Agency's investment policy shall be adopted by resolution of the Agency's Board of Directors. The policy shall be reviewed on an annual basis by the Investment Officers and any modifications made thereto must be approved by the Governing Board.

XVII. DEFINITIONS

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.
**BANKERS' ACCEPTANCE (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as does the issuer.

**BID:** The price offered for securities.

**BROKER:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMMERCIAL PAPER:** Short term unsecured promissory notes issued by companies.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DISCOUNT:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**EXECUTIVE DIRECTOR:** Person in charge of overall operations of the Agency.
**FEDERAL CREDIT AGENCIES**: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL FUNDS RATE**: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL OPEN MARKET COMMITTEE (FOMC)**: Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM**: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**: A federal agency that insures bank deposits, currently up to $100,000 per deposit.

**FEDERAL HOME LOAN BANKS (FHLB)**: Institutions that regulate and lend to savings and loan associations. Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA)**: FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FINANCE DIRECTOR**: Person in charge of accounting functions of the Agency.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae)**: Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-throughs is often used to describe Ginnie Mae's.
LEGAL COUNSEL: Person responsible for overseeing all legal aspects of the Agency.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances) are issued and traded.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank.
of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SSEC) registered securities broker-dealers, banks, and a few unregulated firms.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**REPUCHASE AGREEMENT (RP OR REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SEC RULE 15C3-1:** See uniform net capital rule.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**TREASURER:** Person appointed by the Board of Directors to represent the board's interest in financial matters.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**TREASURY BOND:** Long-term U.S. Treasury securities having initial maturities of more than 10 years.

**TREASURY NOTES:** Intermediate term coupon bearing U.S. Treasury securities having
initial maturities of from one to 10 years.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD or YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*.

Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.
NOACA CREDIT CARD POLICY

March 8, 2019

1. This policy applies to all (i) payment cards, checks or other payment instruments associated with a credit account issued by a financial institution or a retailer, and (ii) payment cards related to the receipt of grant funds. All such cards and instruments are referred to herein as “credit cards”.

2. This policy does not apply to procurement cards (P-cards) or to gas cards or other payment cards that are capable of use only for the purchase of certain limited types of goods.

3. The Agency will not obtain or maintain any debit cards.

4. The Comptroller will work with the appropriate financial institutions that issue credit cards to determine the best type of credit card accounts for the Agency, and also to determine which, if any, store credit card accounts the agency will utilize upon authorization by the Executive Director.
   a. The Comptroller is responsible for working with the issuing financial institution to facilitate the reissuance of replacement cards upon expiration of the credit cards.
   b. The Comptroller in consultation with the Executive Director will determine when it’s necessary to cancel a credit card account or adjust the credit limits on the credit cards.
   c. The Comptroller is responsible for notifying the issuing financial institution of a lost or stolen card.

5. Credit cards will be established in the name of the Northeast Ohio Areawide Coordinating Agency or NOACA and the specific name of an individual with a maximum credit limit for each set by the Agency.

6. Credit cards are currently issued to:
   a. Director of Administrative Services with a credit limit up to $15,000
   b. Comptroller with a credit limit up to $15,000
   c. With a combined credit limit of $20,000

7. Credit cards may be signed out by the following employees from the Accounting office once a purchase order for the acquisition has been approved (except in the case of an emergency):
   a. Directors
   b. Managers
   c. Senior Communications and Administrative Specialists

8. Credit cards must be returned to the Accounting office within one business day.
9. Use of the credit card is based on the employee’s acknowledgement that they have read and pledge to comply with this policy.

10. For each purchase made using a credit card, an itemized receipt indicating the amount paid, the vendor, the goods/services purchased and a signature authorizing approval for payment must be submitted to the Comptroller promptly following the purchase.

11. Allowable purchases via the credit card include only those types of expenses that are for the benefit of the Agency that serve a valid and proper public purpose that is consistent with the budget. Credit cards will primarily be used for travel expenses to conferences and workshops, memberships and professional dues, and any other items that require pre-payment.

12. Use of the credit card for personal expenditures, for expenditures in excess of the applicable credit limit, or otherwise in violation of this policy constitutes a misuse of the credit card. Any Agency employee engaged in the misuse of the credit card will be responsible to reimburse the Agency for any unauthorized expenditures and may be subject to disciplinary action.

13. The Agency is exempt from sales tax, and all reasonable efforts should be made to ensure that sales tax is not charged by vendors in connection with purchases made via credit card. A tax exemption certificate is available in the Accounting office.

14. The Comptroller must file a report with the Board of Directors detailing all rewards received based on the use of the Agency’s credit card account.