RFP Number: 769-18-1030MA  Due Date: February 15, 2018, 2:00 PM Local Time

Title: Banking Services

Date: January 19, 2018

Addendum Number 1

The following clarifications and responses to inquiries are hereby submitted for consideration in your response to RFP 769-18-1030MA:

1. Please note that the date which responses are due has been changed to **February 15, 2018, 2:00 PM, Local Time**.

2. Attachment A (Required Banking Services) #1 Automated Cash Management Information Access, pg. 23 of 57. For UNT-Denton, Dallas and Law School, what Student ERP/Accounting System and version does you currently use?
   ANSWER: All entities are on PeopleSoft LSPD 9.0 for student systems and PeopleSoft FSPD 9.2 for accounting.

3. Attachment A (Required Banking Services), pg. 22 of 57. Does your current depository bank arrange and pay for armored car services?
   ANSWER: No, our current bank does not arrange and/or pay for armored car services.

4. Attachment A (Required Banking Services) #10 (Disbursement Services), pg. 27 of 57. What disbursement method is used for Title IV refunds?
   ANSWER: Students have the choice of: deposit into an existing bank account, a reloadable debit card, or a paper check.

5. Attachment A (Required Banking Services), pg. 23 of 57. Can you provide 12 months average balances for Sweep and DDA accounts?
   ANSWER: $1.2 million average balance for sweep accounts and $19 million for DDA.

6. Attachment A (Required Banking Services) 7.6 Remote Electronic Check Presentment and Conversion, pg. 36 of 57. In your current IRD solution, is a check guarantee function included? Do you currently utilize a check guarantee plan, through your current bank? If so, does it guarantee funds are available in the consumer’s account?
   ANSWER: We do not participate in any check guarantee plan at this time.

7. Attachment A (Required Banking Services) 10 (Disbursement Services), pg. 27 of 57. Can you clarify what is meant by “availability of payment consolidation services (electronic lockbox)”?
   ANSWER: This paragraph landed in the wrong section as it is not related to disbursements but more along the lines of an electronic payment consolidator or electronic lockbox.
8. Attachment A (Banking Services 7.1 (Automated Cash Management Information Access #Z 7.2), pg. 32 of 57. Does UNTHSC currently obtain EDI 835 files from a clearinghouse? If so, please provide vendor name.
ANSWER: Yes, Navicure

9. Attachment A (Banking Services 7.1 (Automated Cash Management Information Access #Z 7.2), pg. 32 of 57. Does UNTHSC obtain EDI 835 files from commercial insurance payer web sites? If so, are they loaded directly into your Patient Accounting System/Electronic Health Records System?
ANSWER: Yes, we pull 835 files from Emdeon, PaySpan & Optum. Imported directly to the system and ERA EOB is populated and attached to patient’s encounter.

10. Attachment A (Banking Services 7.1 (Automated Cash Management Information Access #Z 7.2), pg. 32 of 57. Other than EDI 835 files, please provide other EDI format files you currently utilize (e.g., EDI 820 Payment Order/Remittance Advice, EDI 822 Bank Fee Analysis).
Answer: N/A

11. Attachment B (Financial Institution’s Qualifications/Requirements) #6d (Required Banking Services), pg. 31 of 57. Do any of the campuses use a treasury workstation currently and if so which one? Is there one planned and if so, what is the timeline for installation?
ANSWER: Currently, treasury workstations are not used. We are looking into the possibility of implementing one and would anticipate an implementation during 2018 as likely.

12. Attachment B (Required Banking Services) 6 #z 7.3 Required Banking Services), pg. 32 of 57. Please provide monthly claim volume for paper based transactions?
ANSWER: 2,000 – 4,000

13. Attachment B (Required Banking Services) 6 #z 7.3 Required Banking Services), pg. 32 of 57. What % of payers remit through electronic payments (ERA/EFT)?
ANSWER: Approximately 60-80%

14. Attachment B (Required Banking Services) 6 #z 7.3 Required Banking Services), pg. 33 of 57. Please clarify/elaborate on the EOB conversion problems experienced by the Health system and solutions you are seeking?
ANSWER: Complete scanning of the entire support documentation (all pages, front & back)

15. Attachment B (Required Banking Services) 6 #z 7.3 Required Banking Services), pg. 33 of 57. Are patient payments posted at the account/guarantor visit/encounter level? Please describe how patient payments are posted? Are payments applied to the oldest outstanding invoice?
ANSWER: Yes, they are posted via EDI 835 file or manually, depending on circumstances. Payments are applied by date of service.

16. Attachment B (Required Banking Services) 7.4, pg. 33 of 57. Please provide monthly average balances by account and also the balances currently invested in overnight sweep accounts.
ANSWER: This appears to be a duplication of a previous question (#4)

17. Attachment A (Required Banking Services) 5. (Collection and Deposit Services), pg. 25 of 57. Please provide a list of all UNT locations for a proximity study.
ANSWER:
(a) University of North Texas – Denton
1155 Union Circle
Denton, TX 76203

(b) University of North Texas – Dallas
7300 University Hills Blvd.
Dallas, TX 75241

(c) University of North Texas System
1901 Main Street
Dallas, TX 75201
18. Attachment A, pg. 22 of 57. Which armored car is currently used? For all locations?
ANSWER: Dunbar Armored Services. They serve all of the business units.

19. Attachment A (Banking Services 7.9e (Imaging), pg. 38 of 57. Please explain which types of non-bank documents UNT would like imaged?
ANSWER: All correspondence from payers to include returned mail.

20. Attachment A (Banking Services) 7.13 (Account Reconciliation), pg. 40 of 57. Please provide a sample of the in-house ARP format used by UNT.
ANSWER: Reconciliations are primarily spreadsheet driven at this point but we can discuss further with finalists, if needed.

21. Attachment 7.15 (ACH Services), pg. 41 of 57. Does UNT currently use International ACH? If so, to which countries?
ANSWER: We do not use International ACH for processing foreign payments. We process few foreign vendor payments using a wire process, not ACH.

22. 7.1 (Automated Cash Management Information Access), pg. 35 of 57. Would UNT consider a FHLB Letter of Credit to complement traditional collateral?
ANSWER: UNT's would be open to a portion of the collateral being in the form of a FHLB letter of credit. If this would need to be a significant portion of the collateral pledged, please specify the approximate percent in your reply to the RFP.

23. Attachment A, pg. 42 of 57. Please clarify the information below in quotation: UNT's funds are public funds and fall under provisions of the Public Funds Collateral Act (Texas Government Code, Section 2257). If funds are, for any reason, not swept on a daily basis by UNTS externally or to a money market fund through the bank structure, all UNTS funds above FDIC insurance coverage must be collateralized at a 102% margin as defined below. Authorized System collateral includes only:

- Obligations of the United States or its agencies and "instrumentalities" including mortgage backed securities which pass the bank test;

ANSWER: Please strike the words “and instrumentalities”. Collateral may be in the form of 1) obligations of the United States or its agencies, including mortgage backed securities which pass the bank test; 2) a letter of credit from the Federal Home Loan Bank; or 3) municipal obligations carrying a rating of AAA or its equivalent by at least two nationally recognized rating agencies. Collateral options are listed in order of preference and any significant percentage of collateral in the forms of #2 or #3 above should be noted in the response to the RFP.

24. 7.16 Collateral Requirements, pg. 41 of 57. Currently all collateral for UNTS accounts will be required to be held at a third-party custodian, preferably the Federal Reserve Bank. Collateral levels are regularly monitored by UNTS. UNTS is interested in minimizing its collateral risk and improving its ability to monitor collateral System-wide. The bank should include in its proposal any ideas it has to simplify collateral monitoring System-wide while assuring the required collateral and its required margins. Repurchase agreements, surety bonds and "letters of credit are not acceptable collateral."

ANSWER: See answer above


1.) Can UNT provide clarifying information on the request for information for the following question?
Can the bank’s system report or consolidate information from other banks outside the holding company? How? If so, at what levels of information is this available? If a correspondent bank is used for any purposes will this be completed?

ANSWER: The goal of this RFP is to consolidate banking across the system to one bank. However, in the instances where a defined amount would need to be held in another institution, state whether your system can include that information in its reporting capabilities and if so, how.

26. ATTACHMENT B (FINANCIAL INSTITUTION’S QUALIFICATIONS/REQUIREMENTS – 6. Required Banking Services: 7.8 Retail and Wholesale Lockbox Services, Question n.)

Can UNT clarify what they require in the following question?

n. What is the breakdown designation on wholesale and retail lockboxes, by volume or type?

Answer: An understanding of where the bank draws the line between lockbox types – is it by payment volume or some other determinant?

Authorized collateral must be pledged against the total collected deposits of UNTS above the FDIC coverage, at a margin of 102% in marketable value.

27. 7.16 Collateral Requirements, pg. 41 of 57. Regarding the System’s investment portfolio and safekeeping – how many individual investment securities, on average, are in the portfolio and what is total market value of the portfolio?

ANSWER: There are currently less than ten individual securities in the safekeeping account, totaling roughly $20 million. Depending on a number of variables, this could significantly increase or almost completely go away. Unfortunately, this is difficult to predict at this time.

28. Attachment C – Fee Schedule. You provided the Service Fees requested in Attachment C. However, you have provided additional volumes for more services in Attachment D. Are you expecting service fees for volumes noted in Attachment D?

ANSWER: Attachment C was given as a guide, not to restrict responses. It is strongly recommended that pricing for activity listed in Attachment D be included at a minimum. Pricing should also include the AFP service code to assist in comparability of RFP responses.

29. What do you expect your average DDA daily balances to be on a consolidated basis?

ANSWER: Anticipate approximately $20 million combined.

30. Monthly Statements (Page 29) - Would UNTS accept statements on the 3rd business day of the calendar month versus the 2nd day of the month?

ANSWER: While not ideal, this could be an acceptable environment with some internal changes to accommodate.

31. Branch location in geographic boundaries (Page 30) - Would UNTS accept responses from financial institutions that do not have branch locations in or within a close proximity to Denton? Our closest branch to location to the Denton campus is 19.2 miles.

ANSWER: A close proximity to Denton is not an absolute requirement.

32. Remote Electronic Check Acceptance and Conversion (7.6 Page 36) - Is this service a requirement of the RFP?

ANSWER: The system currently uses check scanners in a number of locations to speed the deposit of funds and reduce the need to armored car services. We anticipate continuing to utilize such a function until a better alternative is available. If you have a better alternative, please describe in your RFP response.

33. Disbursement Services (7.10.b Page 38) - Bank of Texas does not offer free check cashing to non account holders as a standard practice; however could look at offering the service at our locations closest to each campus if that would be an agreeable solution by UNT.

ANSWER: This is not a question. I would suggest including this wording in your RFP response.
34. Lockbox (Page 25) - Do you own your lockbox address or is it owned by your financial institution?
   ANSWER: The financial institution owns the address.

The following questions involve Automated Cash Management Information Access (7.1, Page 31)

35. J – Reference Automated cash Management Information access (&.1, Page 31): Can you please elaborate on the questions within question J.
   ANSWER: We would like to understand your system’s flexibility in reporting on all system bank activity. The contract awarded will likely encompass activity across all four tax ID’s so we want to understand what kind of “roll up” options or cross-entity options we may have with your software.

36. When you state outside the holding company are you referring to other financial institutions?
   ANSWER: Yes, see answer to previous question for more details.

37. Are you referring to if the bank systems are interrupted or if the UNTS system is interrupted?
   ANSWER: The bank’s.

38. When you reference random number secure cards are you referring to tokens? If no, can you please elaborate?
   ANSWER: Yes, tokens.

39. Can you please elaborate on the type of information or an example that UNTS is looking for the bank to provide as part of this contract?
   ANSWER: This question is not necessarily looking for anything specific but rather more of a general sense of what assistance in technology might be available as part of the services offered.

The following questions involve Collection and Deposit Services (7.5 Page 35)

40. Can you please provide detail on what other services would be?
   ANSWER: Any external 3rd party solution. For example, a treasury workstation.

41. How do you currently retrieve payment information for each lockbox?
   ANSWER: Online Portal

The following questions involve Remote Electronic Check Acceptance and Conversion

42. What software program is used for cashiers to process student payments?
   ANSWER: Oracle CS (PeopleSoft) is the ERP for UNT Systems.

The following questions involve Pay Card-Stored Value Cards

43. How many employees are currently receiving a check?
   Answer: Approximately 400 employees

The following questions involve Funds Transfer and Wire Services

44. What is the process for requesting vendor account information to submit electronic payment?
   Answer: We currently provide a form in pdf format for the vendor to fill out and return

The following questions involve UNT Health

45. What patient billing software system(s) does UNT presently use? Are there any system changes or upgrades in the near term?
   ANSWER: NextGen is used and yes.
46. What types of electronic payment file formats can your patient billing software accept for payment posting.
   (a) Please distinguish between patient payment posting and insurance payment posting.
   Answer: Patient Payment = .dat file: Insurance Payment = .835

47. Assuming an 835 file is acceptable for insurance payment posting, can the file be multi-payer?
   ANSWER: Yes

48. How many claims are submitted out each month by the UNT Health Science Center?
   (a) Are these sent out electronically (100%) via 837 through a clearinghouse?
      i. In excess of 10,000 and No.
   (b) If not, 100%, what are the other methods and approximately what percentage?
      i. Approximately 20-40% by paper claim via clearinghouse

49. What percentage of insurance claim payments are posted electronically through 835 files received back through the clearinghouse?

50. What is the strategy for enrolling more payers for EDI835?
   ANSWER: Contact payer as needed following receipt of any paper check and/or as new payers or plans are added

51. Please provide a listing of the top 10 payers not on EDI835 today, along with their approximate claim volume
   ANSWER: Superior Health-Ambetter 30; TX Medicaid 300; Secure Horizons 10; Amerigroup 550; ChampVA 15

52. Are ACH/EFT payments reconciled to the ERA835 files before the payment files are posted? If yes, please describe.
   ANSWER: Yes, we do not post the 835 until the deposit is received in the bank

53. Are other EFT/ACH payments received into the same bank account? If so, why? Does this hamper reconcilement?
   ANSWER: Sometimes this does happen and when it does, reconciliation efforts are hampered.

54. What percentage of insurance claim payments are posted through a manual process via lockbox?
   ANSWER: 20-40%

55. How many patient statements are produced and mailed each month?
   ANSWER: Approximately 2,400

56. Who produces and mails these?
   ANSWER: NextGen EDI

57. What is the strategy for reducing print?
   ANSWER: Online account view and payment options

58. Please provide a sample of the patient statement that is produced and mailed.
   ANSWER: Attached.

59. What payment methods are accepted for patient payments?
   ANSWER: Cash, check and credit card

60. What payment channels are supported for making patient payments?
   ANSWER: In person, by mail, and IVR

61. Please describe how payments are accepted at any POS channels. How are these posted to the patient billing system? Manually / Automated / Other?
   ANSWER: Cash, check, or credit card. Posted manually

62. How are the other payment channels posted to the patient billing system?
   Answer: Payment methods already discussed in previous questions cover most, if not all, of the channels available

63. How much ($ volume) is made via credit card?
   ANSWER: Approximately $50k per month on average

64. From Attachment D, there appears to be 3 lockboxes (Volume reported is 36 Please provide the mailing address for each of the 3 boxes, and indicate if these are bank owned boxes or caller service boxes owned by UNT but processed by the bank. What is the intended purpose of each of the 3 boxes?
   ANSWER: The three box numbers are listed below and are all related to UNT Health activity. All are owned by the financial institution.

65. How are the insurance check payments received into the lockbox and processed? Are images of the checks and associated payment details provided? If yes, how many images (checks, EOBs and correspondence) are made
annually, as this is not detailed on Attachment D? If no, are you receiving all the paper back from your current lockbox provider? If yes, please explain.

ANSWER: Yes, check images and payment details are provided – volumes detailed below.

66. What is the approximate volume of images to be stored, if these boxes are to be imaged.

ANSWER: Volumes are detailed below.

67. Are you able to break down the lockbox volume provided within Attachment D by lockbox address/number assignment?

ANSWER:

<table>
<thead>
<tr>
<th>2017</th>
<th>Activity Type</th>
<th>99335</th>
<th>993351</th>
<th>993352</th>
<th>Scannable-993352</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wholesale Item</td>
<td>N/A</td>
<td>3,887</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>No Check Item</td>
<td>7</td>
<td>11,721</td>
<td>30</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Data Capture</td>
<td>4</td>
<td>76,046</td>
<td>30</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Unprocessable Items</td>
<td>70</td>
<td>621</td>
<td>377</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Check Micr Capture</td>
<td>1</td>
<td>3,887</td>
<td>3,603</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Scannable Items</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>3,218</td>
</tr>
</tbody>
</table>

68. Is it permissible for our bank to use (1) a Federal Home Loan Bank letter of credit and/or (2) municipal securities to meet required bank depository collateral requirements? Unfortunately, we will most likely be unable to respond if we are not able to use one or both of these items for collateral with UNTS. The RFP states in Section 7.16 that Authorized collateral includes only "Obligations of the United States or its agencies and instrumentalities including mortgage backed securities passing the bank test." However, the UNTS investment policy states in Section 9 (Insurance or Collateral) that "The use of a letter of credit issued to the System by the Federal Home Loan Bank may be considered by the System to meet the required bank depository collateral requirements". The investment policy doesn't seem to mention the use of municipal securities, but they are allowed under the Texas Public Funds Collateral Act if certain criteria are met. Please advise.

ANSWER: Yes, this is permissible. Please see answers to previous questions for a more thorough explanation.

69. What is the bank deposit balance level that you anticipate maintaining? Based on your quarterly liquidity reports, it appears to have been around $30 - $40 million recently.

ANSWER: Anticipate around $20 million combined.

Note: If a question that was submitted was not answered in this addendum we will be issuing another addendum shortly with further questions and answers.

END OF ADDENDUM

Michael J. Abernethy
Procurement Services Signature

Acknowledgement: Please acknowledge receipt of this addenda via the Addenda Checklist, Section 4 of the Request for Proposal.