



**DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE AND ENTERPRISE SERVICES
ACH COLLECTION SERVICES
REQUEST FOR PROPOSAL**

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Exhibits

- EXHIBIT A:** State of New Jersey OIT File Transfer Guide
- EXHIBIT B:** Ownership Disclosure Form
- EXHIBIT C:** Collateralization Requirements for State Held Deposits
- EXHIBIT D:** N.J.S.A. 52:34-13.2 Source Disclosure Certification Form
- EXHIBIT E:** Destruction Requirements of State Records, Canceled Checks and Electronic Images
- EXHIBIT F:** Certification of Non-Involvement in Prohibited Activities in Russia or Belarus Pursuant to P.L. 2022, c.3
- EXHIBIT G:** Monthly Analysis Sample Format
- EXHIBIT H:** Division of Revenue and Enterprise Services Accounts Structure and Funds Flow
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- EXHIBIT Q:** April 2024 to March 2025 Returns and Reversals Volumes and Dollar Amounts

I. PURPOSE AND INTENT

In 1993, the State of New Jersey Administrative Code 18:2-3.4 required taxpayers with a prior year tax liability for any one tax type in the amount of \$200,000 or more to remit their tax liability via electronic means, either by issuing an ACH credit received or authorizing an ACH debit. Between 1994 and 2004 the prior year tax liability threshold for which electronic tax payments were required was lowered to \$10,000 or more.

In October 2000, the Division of Revenue and Enterprise Services (DORES) provided taxpayers with the ability to file and pay their State taxes electronically via the internet. In April of 2001, the Division of Revenue and Enterprise Services further expanded the electronic payment options available to taxpayers by offering the Electronic Check (E-check) payment option. The E-check payment option allows taxpayers to enter their bank account number and routing information on the State's website resulting in an ACH debit payment to the State.

The State also offers these electronic payment options on a voluntary basis to those taxpayers who would not otherwise be required to participate in the program. There are many taxpayers that voluntarily pay their tax liability electronically, many of which use payroll processors.

It is estimated that approximately 75% of the State's taxes and other charges are paid electronically via the ACH credit received or ACH debit origination options.

The Division of Revenue and Enterprise Services has established an electronic payment system utilizing the Automated Clearing House (ACH) for the collection of these State taxes and related charges. Through the State's electronic payment system, taxpayers, through the use of their computer, can utilize this service to initiate the funds transfer from their bank account to the State. Based on the input from the taxpayer, the contracted bank will initiate an ACH debit against the taxpayer's account. Taxpayers, at their own expense, also have the option to initiate an ACH credit received to the State by utilizing the ACH services provided by their own bank.

Currently, the Division of Revenue and Enterprise Services administers over 558 payment types, incorporating 558 payment codes and expects that this number will continue to grow.

The State reserves the right to add additional payment types to the ACH collection system during the contract term.

Note: Taxpayers are not offered the option of initiating wire transfers to the Division of Revenue and Enterprise Services and these types of transactions must be prevented. The State will, however, initiate wire transfers out of the account on a daily basis.

The purpose of this request is to solicit proposals from qualified New Jersey banks to establish and operate an electronic funds transfer program for the collection of State tax and non-tax payments through the Automated Clearing House as required under **New Jersey P.L. 1992. C. 140**; for the entire payment and pre-notification process affecting those taxpayers targeted under this legislation, to provide the State with a wire transfer system for the daily wire transfers from the depository account to other State accounts, to provide a Web-Based Inquiry/Communication System for reporting purposes and to provide other customized reports to the state via an electronic medium.

This contract will require **one (1) account** in the vendor bank as follows:

1	Division of Revenue and Enterprise Services ACH Depository Account
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During April 2024 to March 2025, the monthly average collected balance held within this account was approximately **\$1.1 million**.

The State reserves the right to increase and/or decrease the number of accounts, as the need arises, during the course of this contract term.

The vendor must provide the State with a Web-Based Inquiry/Communication System.

Below is the list of banking services, not necessarily all inclusive, that will be required for consideration of an award. The detailed specifications are delineated in **SECTION V, SCOPE OF WORK**, of this RFP.

Electronic Transmission (sending and receiving capabilities)
Web-based Inquiry Communication System (access to perform account inquiries and initiate transactions)
Full Account Reconciliation services
Daily online bank statements, and daily paper and/or CD-ROM statements when requested (including detail and summary information)
Monthly Account Analysis
ACH Receiving Capabilities
ACH Debit Origination Capabilities (E-Check and Batch Payment)
ACH Debit Block Services (with ACH Debit Filter capabilities)
Automated Daily Balance Reporting in BAI2 format (prior day information to BlackLine and FIS)
Timely reports per RFP specifications
Timely, reliable customer service

II. TERMS AND CONDITIONS

A. Applicable Rules and Regulations

This Contract and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations, and rules of evidence of the State of New Jersey without reference to conflict of law principles and shall be filed in the appropriate Mercer County Division of the New Jersey Superior Mercer County.

All Claims asserted against the State by the Contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

The entire content of this RFP, all addenda, and the bank's proposal will become the basis for any award and contract. These documents, serving as the agreement between the State of New Jersey and the bank, shall, whenever possible, be construed in harmony except in instances when a governing regulatory agency's rules are in conflict, in which case the governing regulatory agency's rules and regulations would apply. If there is a conflict between the terms contained in these documents, the order of precedence shall be: (1) the rules of the governing regulatory agency; (2) the addendum(s); (3) the RFP; and (4) the bank's proposal.

All services must be the responsibility of the primary Vendor. The State will not enter into any agreements with subcontractors.

The Vendor must be a state or nationally chartered bank, with a branch presence in the State of New Jersey, employ New Jersey residents, and be in compliance with all Federal and/or New Jersey State laws governing all services to be awarded.

The Vendor must be a member of an automated clearing house association and be in compliance with all rules and regulations set forth by the National Automated Clearing House Association (NACHA), local automated clearing house (ACH) association(s), and ACH operators.

The Vendor must be a member of the Federal Reserve direct wire system.

The State of New Jersey agrees to comply with all current NACHA Operating Rules and Regulations. The entire content of this RFP, all addenda, and the bank's proposal will become the basis for award and contract and serve as the contractual agreement between *Originator* (State of New Jersey) and *Originating Depository Financial Institution* (bank), as required by NACHA and its Governing Regulators.

The State of New Jersey authorizes the Originating Depository Financial Institution, in this case, the contracted bank, to receive and originate ACH entries as described in the RFP on behalf of the State of New Jersey.

The State of New Jersey agrees that it will not initiate ACH entries that violate United States law.

The State of New Jersey agrees to cure any breach of the current NACHA Operating Rules and Regulations as soon as it is feasible upon notice of the issue.

The State of New Jersey agrees to permit the Originating Depository Financial Institution the right to audit the State's compliance with NACHA Rules and Regulations.

The **TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS, and PAYMENT METHOD AND TERMS** of this Request for Proposal (RFP) will supersede any and all conflicting terms and conditions, including bank agreements, submitted by the bank/contractor. The State of New Jersey will not modify its terms and conditions or execute separate bank agreements.

Proposals that do not conform with or take exception to the State of New Jersey's terms and conditions, other mandatory provisions, and payment methods and terms, as set forth in this RFP, **will be considered non-responsive and therefore rejected.**

The State of New Jersey will also not sign any documentation or set-up forms that link to bank agreements.

B. Contract Administrator

The Department of the Treasury, Office of Management and Budget, Cash Management Unit is charged with addressing contract-related issues.

The Contract Administrator for this program for the State of New Jersey is:

Kyle Morales
State of New Jersey
Department of the Treasury
Office of Management and Budget
PO Box 221
Trenton, New Jersey 08625-0221
Phone: (609) 292-1721
Email: Kyle.Morales@treas.nj.gov

C. Project Management

This Request for Proposal (RFP) has been prepared by the New Jersey Department of the Treasury, Office of Management and Budget, Cash Management. After contract award, the Division of Revenue and Enterprise Services is charged with the responsibility for the administration of their respective bank accounts.

The Project Manager for this program for the State of New Jersey is:

Douglas Cavanaugh, Administrative Analyst
State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
200 Woolverton Street
Trenton, NJ 08601
Phone: (609) 292-8632
Email: douglas.cavanaugh@treas.nj.gov

D. Timetable of Events

The State reserves the right to modify any of the following cited dates upon notification to vendors.

EVENT	DATE
Issuance of Request	May 14, 2025
Deadline to Submit Questions	May 28, 2025
Proposal Due Date	June 25, 2025
Anticipated Contract Award Date	August 6, 2025
Implementation & System Testing	August 8, 2025
Contract Commencement	February 1, 2026

E. RFP Questions from Bidders

The Office of Management and Budget, Cash Management Unit will accept questions and inquiries from all qualified potential bidders electronically via email. This will be the only opportunity potential bidders will have to submit questions pertaining to this RFP.

The deadline to submit written questions pertaining to this RFP ends at **4:00 p.m. ET** on the date indicated in the Timetable of Events. Written questions received after the deadline will **not** be recognized or addressed.

Questions must be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP. Each question must begin by referencing the RFP page number and section number to which it relates.

The subject line of the email should include the specific banking RFP name.

Respondents are not to contact the Office of Management and Budget, Cash Management Unit directly, in person, or by telephone, concerning this RFP.

Office of Management and Budget, Cash Management Unit will address all questions by posting an addendum on the Office of Management and Budget, Banking Services website. The addendum will include all questions submitted prior to the submission deadline, along with the State's response to each question. Questions are to be emailed to the following address:

TreasuryBankingServices@treas.nj.gov

F. Revisions to the Request for Proposal

If it becomes necessary to revise any part of this RFP, revisions will be made in the form of a written addendum, and vendors will be notified via email.

Acknowledgment of the receipt of all the amendments/revisions will be required to accompany any proposal submitted.

G. Proposal Requirements

The State will accept proposals in either hardcopy or via secured email in PDF Format. **Proposals must arrive prior to or no later than 4:00 p.m. ET on June 25, 2025.**

If submitting a proposal in person or overnight delivery, address packages to:

Kyle Morales
State of New Jersey
Department of the Treasury
Office of Management and Budget
PO Box 221
Trenton, New Jersey 08625-0221
Phone: (609) 292-1721
Email: Kyle.Morales@treas.nj.gov

If submitting a proposal by US Mail, address packages to:

Kyle Morales
State of New Jersey
Department of the Treasury
Office of Management and Budget
PO Box 221
Trenton, New Jersey 08625-0221
Phone: (609) 292-1721

One proposal must be clearly marked "ORIGINAL" and signed by an officer who is authorized to bind the respondent contractually. An additional **eight (8) copies of the proposal** must be submitted along with the original.

In addition to the submitted hard copies, vendors must include a CD-ROM copy of their entire bid submission, including all exhibits, financials, attachments, and samples of required documents in PDF format.

If submitting a proposal by secured email, send the proposal in PDF FORMAT to: TreasuryBankingServices@treas.nj.gov

Electronic submissions must include the entire proposal, including all exhibits, financials, attachments, and samples of required documents in PDF Format. If the attachments are too large, multiple attachments and/or emails will be accepted.

For electronic bid submissions, a confirmation email will be sent notifying receipt of bid submission. **IF A CONFIRMATION EMAIL IS NOT RECEIVED, PLEASE RESEND THE ENTIRE BID PROPOSAL.**

The bidder's responsibility is to clearly identify the sections and pages in its bid proposal that designates to be confidential and/or proprietary.

Please note that faxed proposals will **not** be accepted.

H. Oral Presentation and Vendor Site Visitation/Inspection

Vendors that submit a proposal may be required to give an oral presentation to the evaluation committee. This will provide an opportunity for the Vendor to clarify or

elaborate on its proposal. However, an oral presentation does not provide the Vendor the opportunity to change the original bid or correct any deficiencies in its proposal. Vendors should not construe the invitation for an oral presentation to imply any acceptance or rejection of bids.

The Department of the Treasury, Office of Management and Budget, Cash Management Unit will schedule the presentations.

At the time of proposal evaluation, the State reserves the right to inspect the Vendor's non-secure facilities, including any and all subcontractors' non-secure facilities, via a scheduled site visit. Any time after award, the State reserves the right to inspect the Vendor's non-secure facilities, including any and all subcontractors' non-secure facilities, with prior notice by the State. Failure to comply with this request may result in disqualification or termination of the contract.

At all times, (1) travel by State personnel to the Vendor's site will be at the State's expense; (2) travel by vendor personnel to the State of New Jersey will be at the Vendor's expense.

Prior to contract award, the oral presentation and vendor site inspection may be combined.

I. Contract Award

The entire content of this RFP, all addenda, and the bank's proposal will become the basis for any award resulting from this solicitation.

The State of New Jersey reserves the right to reject any or all proposals, to award to other than the low bidder, to award in whole or in part, and to waive any minor informalities not in compliance with the specifications or terms and conditions of this request if deemed in the best interest of the State to do so.

Any statistics or values shown in the RFP are either based on past history or best estimates. The future quantities, values, or activities may be more or less than those

noted herein and could change during the course of the contract term. The State will make no allowances or concessions to a bidder for any alleged misunderstanding because of quantity, character, or other conditions.

J. Length of Contract

The contract will be for a **four (4) year term**. The bank may not close any accounts until officially notified by the Department of the Treasury, Office of Management and Budget, Cash Management Unit. The Department of the Treasury, Office of Management and Budget, Cash Management Unit will be responsible for opening and closing all accounts.

K. Contract Extension

The State will have the option to extend the contract for **four (4) one-year periods**, or any portion thereof, if deemed in the best interest of the State to do so. The Vendor will be notified of the State's intent at least **90 days** prior to the expiration date of the existing contract. The Vendor will have **15 calendar days** to respond to the State's request. If the Vendor agrees to the extension, all terms and conditions of the original contract and any mutually agreed changes will apply.

At the time of contract extension, an increase in price will be considered. The unit prices during the extension periods may be adjusted utilizing the Consumer Price Index unadjusted for All Urban Consumers, New York-Northern New Jersey Region, and Philadelphia-South Jersey Region using a 2/3 to 1/3 weight respectively, as published by the Bureau of Labor Statistics of the United States Department of Labor. For price adjustments during the option periods, the prices may be increased by the same percentage as the percentage of increase shown in the Index for January of the extension year compared to the Index for January of the prior year or for the most recent reported twelve-month period. At the time of the extension option, the Vendor must include in its response to the State the price increases, from and to, for each of the line item charges, along with supporting Labor Statistics documentation. The State will then independently verify the price adjustment.

L. Vendor Right to Protest

A vendor's right to protest RFP specifications and intent of contract award is governed by N.J.A.C. 17:12-3.

For all Department of the Treasury, Office of Management and Budget, Cash Management Unit contract protests, although N.J.A.C. 17:12-3 references the Director of the Division of Purchase and Property, the Treasurer (or designee) shall be the individual authorized to decide the protests.

M. Termination of Contract

The State reserves the right to terminate any agreement entered into as a result of this RFP, providing written notice has been given to the Vendor at least **30 days** prior to such proposed termination date unless otherwise provided herein.

At contract termination, the Vendor must cooperate with the State and the new contract vendor to effect a smooth transition, which would include transferring all information needed for the continued operation of the application.

In instances when a governing regulatory agency's rules are in conflict with any agreement entered into as a result of this RFP, the governing regulatory agency's rules and regulations would apply.

N. Contract Continuity/Transitional Period

In the event the service or services are scheduled to end by contract expiration or be terminated by the State (at the State's discretion), and if requested by the State, the bank must continue the service(s) until new services can be completely operational. The bank is required to continue servicing the State at the same cost. During this transitional period, the State is not subject to any price changes. At no time shall this transitional period extend more than **180 days** beyond the expiration date of the existing contract. The bank will be reimbursed for this service at the rate in effect when this transitional period clause is invoked by the State.

O. Unanticipated Services

Should additional State initiated work be required, which is beyond the initial scope of this RFP, either through this State agency or another, the State of New Jersey reserves the right to negotiate with the awarded vendor reasonable fees for services unanticipated or not existing at the time of the contract award. If required, the State will request a written cost estimate and a schedule of the work plan. The State must approve the fees and/or work plan prior to initiation of the work. Upon failure to arrive at a negotiated fee schedule and work plan, the State may, at its option, contract the services through a competitive process.

If additional programming is required, the Vendor must be able to provide additional programming services and make system changes to its internal system within **90 days** after State approval. The cost estimate will be based on the hourly rates included in the Vendor's response, as specified in ***SECTION VIII. COST SCHEDULE*** of this RFP.

P. Prime Contractor Responsibilities

The selected Vendor, and any successor vendor (in the event of merger/acquisition or other change in operating status), will be required to assume sole responsibility for the complete effort of any contract(s) awarded to the Vendor subsequent to its bid submission and assume all cost incurred by the State, directly or indirectly, in connection with or as a result of the transition. If a merger/acquisition has been announced prior to or during the Vendor's proposal preparation period, identify all relevant or emerging dates surrounding the merger relative to the official name change, system changes, account changes, etc., if known at the time of bid submission.

The State will consider the prime Contractor to be the sole point of contact with regard to contractual matters. The prime contractor is responsible for the professional quality, technical accuracy, timely completion of any and all services awarded to the Vendor as a result of the solicitation; and shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its products, services, reports, equipment, information, etc. in order to meet the requirements as specified herein.

The successful Vendor must furnish the names of the officers and management personnel who will be utilized in the fulfillment of any agreement resulting from this RFP.

Q. Subcontracting

The State defines a subcontractor as a third party that is specifically engaged by the Vendor to provide services under this contract to the State.

All subcontractors must be approved by the State. If the Vendor has knowledge prior to the proposal submission date that any part of the work covered by this request will be subcontracted, the Vendor must identify the subcontracting organization, its officers, and the contractual arrangements made therewith and state what services are to be subcontracted.

If during the contract term, the Vendor desires to employ or replace any subcontractor, the Vendor must provide **90 days' written notice to the State.** The State will evaluate the replacement firm's qualifications. No replacement firm shall begin work without prior State approval.

The prime Contractor is totally responsible for adherence by the subcontractor to all provisions of the contract between the bank and the State. The bank must thoroughly research and confirm a subcontractor's ability to deliver services exactly as requested in this RFP. The State will not amend its requirements to accommodate a subcontractor's unwillingness to provide required documents or its inability to deliver services exactly as stated/required in this RFP.

Nothing contained in these specifications or subsequent specifications shall be construed as creating any contractual responsibility between the subcontractor(s) and the State.

R. Assignment

The Vendor is prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of this agreement or its rights, title or interest therein or its power to execute such agreement to any other person, company, or corporation without the previous consent and approval, in writing, by the State. Any attempted assignment without consent shall be null and void. Unless otherwise agreed to by the State in writing, the assignee shall bear all cost incurred by the State, directly or indirectly, in connection with or as a result of such an assignment.

In instances when a governing regulatory agency's rules are in conflict with any agreement entered into as a result of this RFP, the governing regulatory agency's rules and regulations would apply.

S. Cost Liability

The State of New Jersey assumes neither responsibility nor liability for costs incurred by the Vendor prior to issuance of an agreement, contract, or purchase order.

T. Ownership of Material

Ownership of all data, material, and documentation originated and prepared exclusively for the State pursuant to any contract shall belong exclusively to the State and shall be delivered to the State upon **30 days' notice** by the State.

U. Data Transmission

See **EXHIBIT A State of New Jersey OIT File Transfer Guide** for a detailed description of the protocols supported by the State. A bank's ability to support as many of these file transfer methods as possible, thus providing the State with maximum flexibility, will be a positive factor considered during the proposal evaluation.

The State plans to take advantage of all advancements offered by the ACH Network. The bank must be able to demonstrate that it has the ability to support these updates to the electronic funds transfer system.

The bank and all subcontractors will be required to use reasonable care to protect the confidentiality of the data. All non-public data contained in the documents or files supplied by the State are to be considered confidential and shall be solely for the use in connection with the services provided to the State, provided that the following information will not be considered confidential: (1) information that is or becomes generally available to the public other than as a result of an unauthorized disclosure by the bank or its subcontractors; (2) information that is or becomes available to the bank or its subcontractors from a source not known to be under an obligation of confidentiality to the State; or (3) information is independently developed without the use of the State's confidential information. The chosen bank must protect State data and ensure that all State information remains confidential, except for disclosures (1) to employees or subcontractors with a need to know such information in connection with the services provided to the State and who are subject to confidentiality obligations no less protective than those set forth herein, (2) to regulatory officials (including bank examiners) having jurisdiction over bank, (3) required by law or legal process, or (4) authorized by the State in writing.

Any use, loss, sale, or offering of this data in any form in violation of the terms of the preceding paragraph by the prime Contractor, its employees, subcontractors, or assignees may cause termination and legal action to be taken, with all cost of any such legal action to be absorbed by the Vendor subject to the liability provisions of this RFP.

V. Promotional Use Prohibited

The Vendor and any subcontractors will be prohibited from advertising or promoting any trade or business by reference to any agreement or services performed hereunder, including the issuance of news releases resulting from any award.

W. Accounting Records

The Vendor is required to maintain records and other contract-related documentation (e.g., any addendum, State RFP, and bank's proposal) needed for the execution of any and all contracts. These records must be made available to the State at all reasonable times during the contract term and for a period of **seven (7) years from the date of final payment.**

Vendor-generated transaction records must be made available to the State for a period of **seven (7) years from the date of the transaction.**

All paid items must remain on the bank's Web-based Inquiry/Communication System for a **minimum of seven (7) years from the paid date.** State of New Jersey employees must have immediate access to paid items and outstanding checks via the bank's Web-based Inquiry/Communication System.

The State reserves the right to have either its personnel, its designated representatives, or its auditors monitor and audit as often as the State deems necessary the activities and related processing and accounting records of the bank and all subcontractors, to ensure proper compliance with the terms as specified within this document.

The Vendor (s) must provide adequate accommodations for the State auditors to use when they perform their regular and scheduled audits at non-secure locations.

X. Severability Clause

In the event that any provision of this RFP or the agreement executed in accordance herewith shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision, and the agreement shall continue in effect without the invalid provision.

Y. Indemnification

The Vendor's liability to the State for actual, direct damages resulting from the Vendor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 500% of the value of the contract, except that such limitation of liability shall not apply to the following:

The Vendor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage, or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the Vendor under the contract caused by negligence or willful misconduct of the Contractor.

The State defines the value of the contract as the estimated annual fees multiplied by the contract term. Contract extensions are excluded from this calculation.

The Vendor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in this RFP.

The Vendor shall not be liable for special, consequential, incidental, indirect, and punitive damages.

Z. Insurance

The Vendor will furnish to the State such evidence of insurance as the State may require at the time of award and for all periods during the term of the agreement and any extensions to the agreement.

For all coverage and renewals, the documents must contain the provision that the insurance provided shall not be canceled for any reason except after **30 days**' written notice to the State of New Jersey, Department of the Treasury. All insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater.

1. Comprehensive General Liability policy as broad as the standard coverage forms currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage.

The policy shall be endorsed to include:

- Broad Form Comprehensive General;
- Liability Products/Completed Operations;
- Premises/Operations.

The limits of liability for bodily injury and property shall not be less than \$1 million per occurrence as a combined single unit.

2. Automobile Liability Insurance, which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit.

3. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

- \$100,000 Bodily Injury Each Occurrence;
- \$100,000 Disease Each Employee;
- \$500,000 Disease Aggregate Limit.

AA. Conflict of Interest

No award will be made to a vendor that, in the opinion of the Department of the Treasury, has an interest, business ventures, proprietorships, employment, or public office, which would create a conflict of interest. The State reserves the right to question vendors with respect to actual or potential conflicts of interest.

BB. Public Records

Information provided in response to this Request for Proposal can be released to the public under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq., (OPRA); however, certain sections may be considered confidential under the statutory exceptions. A bidder may designate specific information and pages of its bid proposal as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion.

Bidders are responsible for clearly defining the sections and pages of their bid proposal considered to be confidential and/or proprietary. The designated sections/materials must be listed on the cover letter and clearly marked at the bottom of each page in the footer section. The State reserves the right to make the determination and will advise the bidder accordingly.

The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal. In the event of any challenge to the bidder's designation of confidential and/or proprietary materials, the bidder shall be solely responsible for defending its designation, and the State shall have no responsibility therefor.

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list.

All bid proposals, with the exception of information determined by the State or the Court to be confidential and/or proprietary, are available for request after the Letter of Intent-to-Award is issued. At such time, interested parties can request a copy of a bid submission by visiting the following link <http://www.state.nj.us/opra/>. Users should select the link titled State Request Form, and in the first drop-down menu that reads Choose a Department, users should select Treasury. In the second drop-down menu that reads Choose a Division, the user should select Government Access Unit and complete the request form according to the instructions.

CC. Single Response

A single response to this RFP may be deemed a failure of competition, and at the option of the Treasurer, the solicitation may be canceled. Alternatively, receipt of only one response may allow the Treasurer to claim it as a valid sole-source acquisition of services.

III. OTHER MANDATORY PROVISIONS

A. Financial Statements

As part of the proposal, the prime Vendor and any subcontractors directly involved with providing any part of the services must submit their latest audited financial statements or financial comments if a privately held company for the most current year.

The Original Proposal and proposal copies should include a working link to the bank's most recent audited financial statements. If the bank cannot provide a working link to the State, the bank must include a hard copy of the bank's audited financial statements for the Original Proposal.

The Original Proposal and proposal copies should include a working link to a subcontractor's audited financial statements or financial comments if a privately held company. If the bank cannot provide a working link to the State, the bank must include a hard copy of the subcontractor's audited financial statements or financial comments if a privately held company.

B. Ownership Disclosure Form

As part of the proposal, the prime Vendor and all its known subcontractors must complete the enclosed Ownership Disclosure Form and submit it with the proposal. See ***EXHIBIT B Ownership Disclosure Form***.

C. Non-Discrimination Law

All parties to any contract with the State of New Jersey agree not to discriminate in employment and agree to abide by all anti-discrimination laws, including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq., N.J.S.A. 10:5-31 through 10:5-38 and N.J.A.C. 17:27-3.4, and all rules and regulations issued hereunder. For additional information on the non-discrimination law, you may call the Law Reference Library at (609) 292-6230 or visit: <http://www.njleg.state.nj.us/> and select Law and Constitution and then Statutes.

D. Collateralization of Deposits

The State Treasurer shall require from this bank a deposit of bonds, notes, certificates of indebtedness or bills or other obligations of or guaranteed by the United States; or other obligations of or guaranteed by the State of New Jersey; or any other obligations now or hereafter authorized by law as security for public deposits. In addition, a current Security Agreement should be on file with the State of New Jersey.

For the total bank balances resulting from the account, the collateralization requirement must adhere to ***EXHIBIT C Collateralization Requirements for State Held Deposits.***

E. Proof of Registration Requirements

Public Law 2001, Chapter 134 requires all contractors and subcontractors providing goods/services to State agencies and authorities to provide the contracting agency with proof of registration with the Department of the Treasury, Division of Revenue and Enterprise Services.

The Division of Revenue and Enterprise Services' Client Registration Bureau provides proof of registration certificates to all registrants. Business Registration Certificates (BRC) list basic business identification information and unique registration sequence numbers that can be verified by the Client Registration Bureau.

Pursuant to an amendment to N.J.S.A. 52:32-44, State and local entities are prohibited from entering into a contract with an entity unless the Contractor has provided a copy of its Business Registration Certificate prior to the time of contract award.

The statute also requires that all contract vendors submit a copy of the Business Registration Certificate for each subcontractor they intend to use prior to the time of contract award. The law prohibits contractors from entering into a contract with a subcontractor that has not provided the Contractor a copy of its Business Registration Certificate.

The registration process involves filing Form NJ-REG. An overview of the filing requirements can be found by visiting the DORES website at <https://www.nj.gov/treasury/revenue/busregcert.shtml>. To file a Form NJ-REG online, visit <https://www.njportal.com/DOR/BusinessRegistration/>.

Any questions in regard to business registration requirements can be directed to the Division of Revenue and Enterprise Services at (609) 292-9292.

F. N.J.S.A. 52:34-13.2 Certification

1. Under N.J.S.A. 52:34-13.2 Certification, the State shall not award a contract to a vendor that submits a bid proposal to perform services, or have its subcontractor[s] perform services, outside the United States, unless one of the following conditions is met:

- The Vendor or its subcontractor provide a unique service, and no comparable, domestically provided service can adequately duplicate the unique features of the service provided by the Vendor and/or its subcontractor; or
- A significant and substantial economic cost factor exists such that a failure to use the Vendor's and/or the subcontractor's services would result in economic hardship to the State; or
- The Treasurer determines that a failure to use the Vendor's and/or subcontractor's services would be inconsistent with the public interest.

Bidder may perform certain general information technology and other "back-office" support activities and ancillary processes for its own general benefit in support of its obligations to its customers from non-U.S. locations. These functions and processes include, but are not limited to, database maintenance on the Bidder's database applications and servers, technology infrastructure support for Bidder's technology hardware and system components, programmatic operations information processing on digital data (such as interest calculations) for the Bidder's general benefit, IT services' asset management, programmatic

transaction processing, systematic account maintenance and servicing functions, and information analytics for the Bidder's general benefit.

2. Source Disclosure Requirements

Pursuant to N.J.S.A. 52:34-13.2, all vendors seeking a contract with the State of New Jersey must disclose:

The location by country where services under the contract will be performed; and the location by country where any subcontracted services will be performed.

State prefers the Vendor submit with its bid proposal **EXHIBIT D N.J.S.A. 52:34-13.2 Source Disclosure Certification Form**, completed with the sourcing information required for the Vendor and any proposed subcontractor identified in its proposal.

If the certification is not submitted with the bid proposal, it shall be submitted **within five (5) business days** of the State's request for the information. Failure to submit sourcing information when requested by the State shall preclude award of a contract to the Vendor.

3. Breach of Contract of N.J.S.A. 52:34-13.2

A shift of outsourced services during the term of the contract shall be deemed a breach of contract.

If, during the term of the contract, the Contractor or subcontractor, which had on contract award declared that services would be performed in the United States, proceeds to shift the performance of the services outside of the United States, the Contractor shall be deemed in breach of the contract, which contract shall be subject to termination for cause unless the Treasurer shall have first determined in writing that extraordinary circumstances require a shift of services or that a failure to shift the services would result in economic hardship to the State.

It is important to note that N.J.S.A. 52:34-13.2 applies to all service contracts.

G. Disaster Recovery Plan

1. Disaster Recovery

As part of any contract award, the Vendor (s) must maintain a disaster recovery plan designed to minimize any disruption to the services being performed. An overview of the bank's disaster recovery plan, contingency, and backup procedures should be provided in the bank's bid proposal.

The bank must be able to demonstrate within their overview that State operations will be minimally affected and State records recovered intact. Given the worst-case scenario, the Vendor must be completely functional **within 48 hours of a major disaster**.

For disaster and recovery purposes, the bank must be able to receive and process data files from the State via electronic transmission. In addition, the bank must be able to demonstrate that sufficient safeguards are in place to prevent test files from being loaded into a production environment.

2. Disaster Recovery Test Requirements

The bank must fully cooperate during any and all disaster recovery testing operations initiated by the State. The bank must identify in its bid proposal if there are any organizational production and/or testing shutdown timeframes during the calendar year when it would be unable to participate in State tests.

The State will run a Disaster Recovery Test pertaining to the accounts contained in this RFP, although not all accounts may be included in the test. The test is required to be performed once a calendar year and must mimic a full simulation of the production environment in order to meet auditing requirements. Testing will be conducted at the State of New Jersey, Office of Information Technology Disaster

Recovery site, which simulates a parallel production environment at a different location from where the normal State test and production activities occur.

Currently, the State's Disaster Recovery center is evolving. Connect:Direct Secure+ will become available at this site in the future; however, an exact date has yet to be determined. Therefore an alternative method must be established to transfer data between the Disaster Recovery site and the bank. The established connectivity method must be mutually agreed upon by the State and the bank. By developing an alternate method, both parties will be creating the capability to provide an alternate means of communication between the bank and the State in the event the main file transfer mechanism is unavailable.

The State's Disaster Recovery Test is a full simulation test, as close as technically feasible to the production environment. In order to satisfy audit requirements, the State of New Jersey, Office of Information Technology (OIT), must be able to simulate the production environment as closely as possible, thereby demonstrating to the auditors the State's ability to recover from a disaster.

The bank must have a process and security in place to ensure that any test files sent as part of the disaster recovery test do not get processed in the bank's production environment. In addition, the State may require that its print agency's Disaster Recovery Site be included in the Disaster Recovery Testing.

3. Disaster Recovery Test Files

The bank must be prepared to receive and validate test files transmitted or delivered from a State of New Jersey disaster recovery exercise.

The following list of Disaster Recovery Test items, not necessarily all-inclusive, will be required and considered during contract award:

- Accept and return test files;

- Validate that the received files are properly formatted and useable as if they were production files;
- Provide the State with written documentation as to the correctness of the data;
- Validate the legibility of printed “voided” checks, which are replications of production checks produced from a Disaster Recovery test.

All test checks mailed to the bank must be returned to the State after the bank validation is complete.

H. Destruction Requirements for State Public Records and Canceled Checks

The New Jersey Department of the Treasury’s Division of Revenue and Enterprise Services (NJDORES) is responsible for ensuring that all public records are managed, preserved, and destroyed in accordance with public law.

The bank should destroy all public documents in accordance with State regulations and the retention schedule promulgated by NJDORES in consultation with the appropriate State agency and approved by the State Records Committee (SRC).

Physical destruction of State records should comply with the existing (applicable) State standards. These standards will apply to any sub-contracted vendors the bank may utilize for destruction services.

See **EXHIBIT E Destruction Requirements for State Public Records and Canceled Checks** for paid check destruction.

I. P.L. 2022, c.3 Certification

On March 9, 2022, Governor Murphy signed P.L.2022, c.3, which prohibits certain government dealings with businesses engaged in prohibited activities in Russia or Belarus.

Any business with whom the State of New Jersey intends to enter into contract with must complete a certification that they are not engaged in prohibited activities in Russia or Belarus.

The submission of a completed ***EXHIBIT F Certification of Non-Involvement in Prohibited Activities in Russia or Belarus Pursuant to P.L. 2022, c.3*** is required with bid submission.

IV. PAYMENT METHOD AND TERMS

A monthly cost analysis will be required each month detailing the costs associated with the required banking services. The State will pay for vendor-banking services with compensating balances when they exist.

A. Compensating Balances

The compensating balance must be considered as the total average collected balance of the account(s) less the non-earning Federal Reserve requirement in effect during the course of the contract term. The basis for the earnings rate will be determined from the average of each month's 13-week Treasury bill yield auction results. All auctions for which the settlement date falls in that month will be included in the month's simple average. At a minimum, the **coupon yield** of each auction will be used.

The earnings rate will be applied each month against the average daily net collected balance of each account to determine the value of bank services earned that month with compensating balances. If the earnings of the compensating balances exceed the value of total bank services provided in any month, the excess will be applied to subsequent monthly analyses on a continuous basis without regard to calendar year-end.

B. Payment Terms

The bank must invoice the State monthly. The bank must provide the invoice within **30 days** after the close of each month (on a calendar month basis) for which services were provided. The standard State of New Jersey payment voucher and instructions for preparation of the form will be provided to the bank after contract award.

C. Monthly Analysis

Together with the invoice, the bank must provide a monthly analysis that will contain one page of the analysis report, and the monthly average collected balance for the accounts. On the same page, the total monthly activity for each billable category will be presented so that every category of activity appears on one line of the report. The balance and

each category of billable activity will be totaled and then carried to the summary page of the analysis. On the summary page, the reserve requirement, if one is required by the Federal Reserve, will be applied against the total collected balance of the account, with the monthly average Treasury bill coupon yield used to calculate the compensating balance earnings for the month. The contract prices will be applied against the total volumes for each billable category in order to establish the total billing for the month. The State will be invoiced for the total billing less the compensating balance earnings for that month. All applicable costs are to be billed in this manner. No charges can be directly debited against the account(s).

Monthly Analysis and Invoices are to be sent to:

Attn: Leslie Notor
State of New Jersey
Office of Management and Budget
Cash Management Unit, 6th floor
PO Box 221
Trenton, New Jersey 08625

The bank must provide the monthly analysis within **fifteen (15) days** after the month in which the services are provided.

The Monthly Analysis must be broken down by account number.

See ***EXHIBIT G*** for the Division of Revenue and Enterprise Services **Monthly Analysis Sample Format**.

V. SCOPE OF WORK

A. General Account Requirements

The State's requirements include the establishment and maintenance of **one (1) State account**, and the accurate and timely processing of all banking services related to the account including, but not limited to: ACH receiving capabilities, access to the bank's Web-based Inquiry/Communication System to view all ACH transaction detail and to conduct wire transfers, ACH debit block, check fraud protection, earnings credit rate, along with a variety of electronic reporting and communication needs.

Fed wires **will not** be accepted into this account and **must** be prevented.

The State reserves the right to consolidate existing accounts or establish additional accounts as needed during the contract term.

The bank must be a member of the National Automated Clearing House Association (NACHA) and follow the rules and regulations as outlined in the latest published ACH operating manual. The bank must have electronic CCD, CCD+, PPD and CTX file transfer sending and receiving capabilities.

All ACH files that are received by **6:00 p.m. E.T** and confirmed by the bank are required to be processed by the bank by **10:00 p.m. E.T.** The funds associated with the transaction file must be deposited into the Division of Revenue and Enterprise Services ACH Depository Account the next banking business day. It will be the bank's responsibility to ensure timely processing and credit to the State. Any delay on the bank's part in applying credit to the State will result in the bank compensating the State for lost earnings at the average of each month's **13-week Treasury bill** yield auction results.

B. Account to be Established

The State will establish **one (1) account** in the vendor bank as follows:

1	Division of Revenue and Enterprise Services ACH Depository Account
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The State's initial requirements will include the establishment and maintenance of the above account and the accurate and timely processing of all banking services and reports related to this account.

See ***EXHIBIT H*** for the **Division of Revenue and Enterprise Services Accounts Structure and Funds Flow.**

The Department of the Treasury, Cash Management Unit is solely responsible for the opening and closing of all State accounts.

The Division of Revenue and Enterprise Services will oversee the day-to-day operations related to this account.

The State reserves the right to increase, decrease or consolidate accounts, as the need arises, during the course of the contract term.

The State reserves the right to increase and decrease the number of Payment Types (5-digit EFT Codes) processed through the Division of Revenue and Enterprise Services ACH Depository Account, during the course of the contract term. New payment types must be added within a reasonable timeframe, not to exceed one (1) month, at no cost to the State. The number of new payment types and discontinued payment types are determined by New Jersey legislation. Therefore, we cannot predict the number of new payment types that could be added during the timeframe of this contract.

All accounts established as a result of this RFP must be protected against unauthorized ACH debit activity.

The State of New Jersey does not issue checks from this account and therefore the bank must automatically decline any check presented for payment as it would be a fraudulent check.

The bank must also support the State in any efforts to investigate possible fraud.

C. Account Data Information

The State will establish the Division of Revenue and Enterprise Services ACH Depository Account to receive individual and business tax payments as well as a number of other payment obligations.

The Division of Revenue and Enterprise Services ACH Depository Account will receive daily ACH payments from New Jersey businesses, citizens and accountants for the payment of New Jersey tax obligations and various other payment requirements. Deposits usually peak on payment due dates, the 15th and 20th of each month. However, the State anticipates the highest deposit volumes will be experienced the period of April 15th through April 30th of each year.

During April 2024 to March 2025, there were approximately **10,158,546** deposits into this account totaling approximately **\$54 billion**. Out of the total number of deposits, 41% of payments resulted from taxpayer-initiated ACH Credits while the remaining 59% of payments resulted from State originated ACH Debits.

See **EXHIBIT I April 2024 to March 2025 Transaction Volumes and Dollar Amounts** for a detailed breakdown of the transaction types and dollar amounts.

D. ACH Requirements

The bank must be a member of the National Automated Clearing House Association (NACHA) and follow the rules outlined in the latest published ACH manual. The bank must have electronic transmission sending and receiving capabilities.

The bank must have a documented contingency plan in place, either manual or other, as a backup to receive the ACH data. The contingency plan documentation or procedure should be available for the State to review upon request.

The Division of Revenue and Enterprise Services ACH Depository Account will receive daily ACH payments from New Jersey businesses, citizens and accountants for the payment of New Jersey tax obligations and various other payment requirements. Deposits usually peak on payment due dates, the 15th and 20th of each month. However, the State anticipates the highest deposit volumes will be experienced the period of April 15th through April 30th of each year.

All ACH Credit Received and Debit Originated transaction items must be accessible to the State via the bank's Web-based Inquiry/Communication System the same day of settlement.

All other transaction items (NOC, Pre-Notes, Pre-Note Failures, ACH Returns and ACH Credit Reversals) must be accessible to the State via the bank's Web-based Inquiry/Communication System the morning after the transaction item is received by the bank.

When data is received or transmitted electronically to the vendor bank or by the vendor bank, all necessary security procedures must be followed to ensure the protection of the data and the integrity of the ACH system.

1. Reports and File Transfers from the State to the Bank

a. Payment Type Validation File

A Payment Type Validation File, relating to each transaction's Payment Type (5-digit EFT code), will be transmitted to the bank at the beginning of the contract. Following this initial send, an updated version will be transmitted weekly with new payment types in order to keep the bank's data current with the State's. See **EXHIBIT J Payment Type Validation File** for a sample of this file.

Each payment transaction that the Bank receives, whether it be a Credit Received or Debit-Origination from the State, must be validated against the payment types listed in this file. If the incoming transaction's payment type corresponds to an existing payment type found in this file and is thus, validated, the bank must then report this transaction on the Daily ACH Transaction Detail

File. See page 40 of this RFP for a description of the Daily ACH Transaction Detail File.

If the incoming transaction does not correspond to a payment type listed on the file, the bank must include this entry on the Daily Addenda Record Error Report as “T” payment type missing / not found. The bank must also populate the error code field (line item 18) of the Daily ACH Transaction Detail File with a “T”. (See page 45 for a description of the Daily Addenda Record Error Report and page 40 for a description of the Daily ACH Transaction Detail File).

The bank must default all transactions with missing/invalidated payment types to Payment Type 04130 – Sales and Use Tax – Miscellaneous Payment: Valid Months 01 thru 12.

See ***EXHIBIT K List of Payment Types*** for a current list of payment types and descriptions.

b. ACH Debit Origination File

Each evening, Sunday through Friday, the State of New Jersey, Office of Information Technology (OIT) will transmit a standard NACHA formatted ACH Debit Origination file to the bank at **6:00 p.m. E.T.** The bank is responsible for submitting the file to the Clearing House for processing by **10:00 p.m. E.T.**

The State sends one (1) file every night Sunday through Friday.

The method of transmission will conform to transmission protocols depicted in ***EXHIBIT A State of New Jersey OIT File Transfer Guide***. It is the State's preference to use Connect:Direct Secure ++ and the bank(s) providing this data transmission option will be rated favorably during the evaluation process.

When files are transferred electronically to the bank, all necessary security procedures must be followed to ensure the protection of the data and the integrity of the ACH system.

In the event of a faulty file transfer, the State will initiate subsequent transfers until a successful transmission is completed. The bank will be notified immediately in the event of a file transfer failure; likewise, the bank must email OIT personnel by **6:30 p.m. E.T.** if the nightly file is not received. In the event the file remains outstanding, the bank must phone OIT personnel. OIT contact personnel will be established after contract award.

Upon successful receipt of the ACH Debit Origination file transmission, the bank must send, via email, an ACH Debit Origination File Confirmation to OIT indicating the file was accepted. The confirmation must be received by OIT personnel **within 30 minutes** of the ACH file transmission being received by the bank. The confirmation must contain the following items for each individual file received:

1	Date and time file is received by the bank
2	Total Number of Records on File
3	Total Dollar Amount of File

The bank must email OIT personnel by **6:30 p.m. E.T.** if the nightly file is not received. OIT contact personnel will be established after contract award.

The bank must process all ACH file transmissions received and confirmed by **10:00 p.m. E.T.** and the funds associated with the transaction items contained on the file transmissions must be deposited into the Division of Revenue and Enterprise Services ACH Depository Account the next banking business day.

2. Reports and File Transfers from the Bank to the State

On a daily basis (except for Federal Reserve Banking System holidays), OIT must receive a series of files and reports no later than **8:30 a.m. E.T.** The vendor must provide a schedule via email of Federal Reserve/Banking holidays prior to December 15th of each year for the subsequent calendar year.

The method of transmission must conform to transmission protocols depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide**. It is the State's preference to use Connect:Direct Secure ++ and the bank(s) providing this data transmission option will be rated favorably during the evaluation process.

The Office of Management and Budget, Cash Management Unit is required to report its daily cash balance position no later than **11:00 a.m. E.T.** Therefore, any delay on the bank's part in transmitting the required daily ACH reports may cause the State to estimate its daily cash balance position. Under these circumstances, the bank must initiate the State's (best estimate) wire-out transfer request and the State must be held harmless if the wire transfer amount results in a negative balance. The resulting negative balance will be used in calculating the monthly average collected balance.

See **EXHIBIT L** for **April 2024 to March 2025 Monthly Average Collected Balances**.

When data is transmitted electronically to the State, all necessary security procedures must be followed to ensure the protection of the data and the integrity of the ACH system.

The following reports must be delivered electronically, via file transfer, to the OIT on a daily basis **no later than 8:30 a.m. E.T.:**

a. Daily ACH Transaction Detail File

On a daily basis, the bank must provide an electronic file **no later than 8:30 a.m. E.T.** that contains one record for each individual transaction (ACH Credit Received, ACH Debit Origination, NOC, Pre-Note, Pre-Note Failure, ACH Return and ACH Credit Reversal). The State **strongly prefers** to receive a single file, however, multiple files are acceptable as long as these files can be clearly distinguished from each other. The bank(s) providing this information in a single file will be rated favorably during the evaluation process.

All ACH Credit Received and ACH Debit Origination transaction items reported by the bank on the Daily ACH Transaction Detail File must be reported on date of settlement and must include a transaction settlement date identical to the settlement date provided by the State on the ACH Debit Origination File.

All other transaction items (NOC, Pre-Notes, Pre-Note Failures, ACH Returns and ACH Credit Reversals) reported by the bank on the Daily ACH Transaction Detail File must be reported the morning after the transaction item is received by the bank. The original settlement date must be noted for all ACH Returns and ACH Credit Reversals.

The following transaction specific details for all ACH transaction items must be included on the Daily ACH Transaction Detail File returned to the State:

1	Payment Type
2	Taxpayer ID Number
3	Name Control (First four letters of the taxpayer's name)
4	Settlement Date
5	Amount
6	Transaction Indicator (C=Credit Received, D=Debit Origination, N=NOC, P=Pre-Note, F=Failed, Pre-Note, R=ACH Return, V=ACH Credit Reversal)
7	Transmit Date
8	Return Period Year
9	Return Period Month/Quarter
10	Return Period Day (formatted as numeric date)
11	Addenda Field #1
12	Addenda Field #2
13	Addenda Field #3
14	Bank Tracer Number
15	ABA Number

16	Reason Code
17	Record Type
18	Error Code (Populated by the bank)
19	Original Payment Type
20	Confirmation Number (Populated by the bank)
21	Bank Account Number
22	Company Name (Included in ACH Debit Origination file sent to the bank)
23	Company ID (Included in ACH Debit Origination file sent to the bank)
24	Customer Name
25	Customer ID
26	State Tracer Number (Included in ACH Debit Origination file sent to the bank)
27	Blank
28	Original Settlement Date (for ACH Returns and ACH Credit Reversals)
29	Bank Number
30	Account Number (Correct account number related to Pre-Notes, Failed Pre-Notes and NOCs transaction items)
31	Filler
32	Vendor Identifier (To be assigned)

See **EXHIBIT M** for the **Daily ACH Transaction Detail File Layout**.

The information needed for Return Period Year, Return Period Month/Quarter, and Return Period Day (transaction specific items 8-10, respectively), can be retrieved via the ACH Debit Origination and ACH Credit Received transaction file itself. Each NACHA transaction has payment related information associated with it, which includes the information required to populate these fields.

Error Codes (transaction specific item 18) will not be included on the transmission files sent to the bank. Rather, error codes will be populated by the bank and appear on the Daily Addenda Record Error Report.

b. Taxpayer Prefix Validation

The bank must validate each transaction's Taxpayer Prefix (byte #1 of the Taxpayer ID) against the Taxpayer Prefix column on **EXHIBIT J Payment Type Validation File**. This column will be populated by either a blank, B, I, or E.

If the validated Taxpayer Prefix on the payment transaction is an "I" then the Taxpayer ID field should contain the "I" followed by a 9-digit Social Security Number followed by either three zeros or three spaces.

For example: I123456789000 or I123456789

If the validated Taxpayer Prefix on the payment transaction is an "E" then the Taxpayer ID field should contain the "E" followed by a 9-digit Social Security Number followed by either three zeros or three spaces.

For example: E123456789000 or E123456789

If the validated Taxpayer Prefix on the payment transaction is a "B" then the Taxpayer ID field should contain the "B" followed by a 12-digit Taxpayer ID.

For example: B123456789000

The bank must validate as follows:

- If the Taxpayer Prefix on the Payment Type Validation File is a B, I or E the Taxpayer Prefix on the payment transaction must match its associated prefix for that payment type on the Payment Type

Validation File. If it does the transaction is valid and must be reported on the Daily ACH Transaction Detail File.

- If on the Payment Type Validation File a Payment Type's associated Taxpayer Prefix is blank, then the Taxpayer Prefix for payment transactions received with these Payment Types should not be validated and can contain any value. If this is the case the transaction should be reported on the Daily ACH Transaction Detail File.

If the Taxpayer Prefix fails validation the bank must include this entry on the Daily Addenda Record Error Report as "E" / Invalid Taxpayer Prefix. (See page 45 for a description of the Daily Addenda Record Error Report). The bank must also populate line item 18 of the Daily ACH Transaction Detail File with error code "E" representing "Invalid Taxpayer Prefix."

If the transaction's Taxpayer ID is missing altogether, the bank must default and process this transaction with Taxpayer ID B777777777000.

c. Daily Tax Summary Report

On a daily basis, the bank must transmit an electronic summary report **no later than 8:30 a.m. E.T.** This report must be provided along with the Daily ACH Transaction Detail file via the same automated method of transmission.

This report must contain breakdowns of the transaction detail for the current day's settlement transactions including: the number and dollar amount for ACH Credits Received, ACH Debit Originations and the combined total for each Payment Type. The totals for each of these along with that day's reported totals for ACH Returns and ACH Credit Reversals from prior day must also be provided.

See **EXHIBIT N Daily Tax Summary Report Sample** for a sample of the required data elements and report layout.

The Daily Tax Summary Report must contain summary information for all ACH transaction items received for the current day's settlement transactions including the total transaction count and the total dollar amount of the file.

1	Bank Account Number
2	Payment Type (State assigned code)
3	Settlement Date
4	Transaction Type (ACH Credit Received, ACH Debit Origination, ACH Return, ACH Credit Reversal and NOC)
5	Transaction Amount

It is required that Daily Tax Summary Report information also be made available for viewing and printing via the bank's Web-based Inquiry/Communication System for a **period of 90 days after the transaction date**. The reporting must provide a summary of that day's ACH settlement totals dollars (ACH Credits Received & ACH Debit Originations). In addition, dollar totals of ACH Returns and Reversals to be debited from the State's Revenue ACH Depository account that day must also be provided.

d. Daily Addenda Record Error Report

On a daily basis the bank must provide an electronic file of all addenda record errors **no later than 8:30 a.m. E.T.** The report must list all transactions that were missing addenda, had addenda that was not in the proper TXP format, had an invalid taxpayer prefix, or had a payment type that does not correspond to a payment type found on the Payment Type Validation File.

The TXP addenda format allows the taxpayer to transmit an ACH payment with remittance detail in a single transaction via the Automated Clearing House network within the CCD+ format.

The bank's validation process should first confirm if the addenda information was provided. If addenda information was not provided for a payment with a monetary Transaction Indicator of a "C" for Credit Received, "D" for Debit Origination, "R" for Return, or "V" for Credit Reversal **and** the TXP dollar amount field is blank or zero, the bank must include this entry on the Daily Addenda Record Error Report as "A / Missing Addenda." The bank must also populate line item 18 of the Daily ACH Transaction Detail File with error code "A" representing "Missing Addenda."

If the bank's validation process determines addenda information was provided, the bank should confirm if the information was properly formatted. The bank must validate each transaction's addendum against its payment type's accepted addendum record format.

Each payment type found in **EXHIBIT J Payment Type Validation File** is accompanied by a letter representing its accepted addendum layout, found in Column 2 of the Payment Type Validation File. The letters in Column 2, "Addendum Type", refer to one of the (9) nine valid addendum record formats that are currently used by the State. **See EXHIBIT P Addendum Records** for the (9) nine valid addendum record layouts, A through I.

If the proper format, according to the Payment Type Validation File, was not used for a payment with a monetary Transaction Indicator of a "C" for Credit Received, "D" for Debit Origination, "R" for Return, or "V" for Credit Reversal **and** the TXP dollar amount field is formatted incorrectly or does not match with the amount paid, the bank should include this entry on the Daily Addenda Record Error Report as "D / Addenda not in TXP Format". The bank must also populate line item 18 of the Daily ACH Transaction Detail File with the error code "D" representing "Addenda not in TXP Format."

If an Error Report is created, the State requires the messages on the report should state either:

- A / Missing Addenda
- D / Addenda not in TXP Format
- E / Invalid Taxpayer Prefix

OR

- T / Payment Type Missing/Not Found

It is requested that The Daily Addenda Record Error Report is available for viewing and printing via the bank's Web-based Inquiry/Communication System for a period of **90 days after the transaction date.**

See ***EXHIBIT O Daily Addenda Record Error Report Sample*** for a sample of the report.

e. Valid Transit Routing Number File

On a monthly basis, the bank must provide OIT with an updated Valid Transit Routing Number File in a mutually agreed upon format, to be decided after contract award. The State **must** receive this file on or around the 1st of the month.

E. ACH Returns and ACH Credit Reversals

Per current NACHA regulations, the bank must allow ACH Returns for a specified period of time for consumer and business payments after the receipt of the original transaction.

During April 2024 to March 2025, there were approximately **58,184** ACH Returns processed, totaling approximately **\$547 million.**

The bank must also honor all ACH Credit Reversal requests to return funds that were erroneously taken from a taxpayer's account.

During April 2024 to March 2025, there were approximately **341** ACH Credit Reversals initiated totaling approximately **\$655 thousand.**

Taxpayers are instructed to go to their bank to request a reversal, which will occur in a NACHA approved timeframe.

All ACH Returns and ACH Credit Reversals must be reported by the bank on the Daily ACH Transaction Detail File the morning after the transaction item is received by the bank. The Daily ACH Transaction Detail File must include the original settlement date for each ACH Return and ACH Credit Reversal and identify the transactions as either an “R” for ACH Return or a “V” for an ACH Credit Reversal. The Daily ACH Transaction Detail File must be received by the State each morning **no later than 8:30 a.m. E.T.**

See ***EXHIBIT Q*** for **April 2024 to March 2025 Returns and Reversals Volumes and Dollar Amounts.**

F. ACH Pre-Notes for ACH Debit Transactions

Included on the nightly file forwarded to the bank, the State will include taxpayer identifying information for newly registered debit-paying EFT filers. Upon receipt of a newly registered debit-paying taxpayer, the bank must process a Pre-Note to verify the banking information provided by the taxpayer. All NACHA rules and procedures governing pre-notifications must be followed. Pre-Notes will be sent to the bank in a standard NACHA format.

All Notifications of Change (NOCs) must be accessible via the bank’s Web-based Inquiry/Communication System by **8:30 a.m. E.T.** the morning after the Pre-Note response is received. Pre-Note failures are considered Pre-Notes that were not successfully originated. The bank’s system must permit users the ability to search, view, print and download/save all NOCs.

On average, there are approximately **153 pre-notes issued per month**, however, there are some occasions when **pre-notes can total as high as approximately 224 per month.**

G. ACH Batch Payments and Batch Payment Applications

The bank must be able to receive and process payments that are initiated by taxpayers using a batch payment application. Taxpayers should be able to process batch payments utilizing applications obtained from their own financial institution or from the State's contracted bank.

Batch payment applications enable users to enter, edit and electronically transmit one (1) electronic file consisting of multiple payment obligations for one (1) or multiple taxpayers. This payment option is primarily used by payroll services, tax preparers and businesses. Taxpayers who utilize the batch payment application are required to enroll first with the State. The State will then communicate new batch payment requests to the vendor bank as required.

In April 2024 to March 2025, there were approximately **1.5 million payments** submitted utilizing batch payment applications.

The State prefers that the contracted bank have the ability to supply taxpayers with a batch payment application and detailed installation instructions within one (1) week of a taxpayer's request, at no cost to the taxpayer. Users should have the ability to install the application on one (1) or multiple computers. The bank should be able to provide installation and transaction assistance via **a toll-free number accessible Monday through Friday 8:30 a.m. to 6:00 p.m. E.T., at no cost to the taxpayer.**

The bank has the option of providing the batch payment application to taxpayers via a CD-ROM or via a web-based download.

The bank will be responsible for maintaining the batch payment application distributed to taxpayers. As industry standards advance and operating systems are upgraded, the bank will be responsible for providing application upgrades, at no cost to the taxpayer.

All batch payment transaction details must be included on the electronic Daily Tax Summary report. See **EXHIBIT N Daily Tax Summary Report Sample** for a sample of the required data elements and report layout.

Below is a summary of State Batch Payment requirements:

1	Bank must be able to accept batch payments
2	Batch filing application downloadable via the web or via CD-ROM
3	Toll-free application installation and transaction assistance Monday through Friday, 8:30 a.m. E.T. – 6:00 p.m. E.T., at no charge to the taxpayer
4	Payment warehousing
5	All batch payment transaction details must be included on the Daily Tax Summary Report (and Detail Report)

H. Web-based Inquiry/Communication System

The bank must provide the State with web-based access to all account(s) established as a result of this RFP.

Only authorized State personnel will be permitted to initiate inquiries via the Web-based System. The authorized personnel will be identified after contract award. It is estimated that 12 State employees will require web-based account access to the bank's system.

The bank must provide the proper security measures to prevent other bank clients from accessing the State information and conversely, to prevent State personnel from accessing information other than their own.

The bank's system must grant users the ability to enter search parameters and qualify search parameters via additional drop-down menus. Search qualifiers for numeric fields must include equals, ranges, greater than, greater than or equal to, less than, less than or equal to. Search qualifiers for alpha fields must include equals, begins with, ends with or contains. The search parameters must allow the user to drill down to view the daily details of any given month.

The State requires the bank to provide web-based reports reflecting all transaction items processed. The Web-based Inquiry/Communication System must have report generating capabilities allowing reports to be generated which include **six (6) months of historical activity**. The user must be able to create queries so reports can be sorted by the following parameters:

1	Account Number
2	Settlement Date
3	Transaction Type (ACH Credit Received, ACH Debit Origination, NOC, Pre-Note, Pre-Note Failure, ACH Return, ACH Credit Reversal)
4	Transaction Amount

1. ACH Web-based Inquiry/Communication System

The bank's Web-based Inquiry/Communication System must provide State personnel access to all ACH activity including exception items (ACH Credits Received, ACH Debit Originations, NOCs, Pre-Notes, Pre-Note Failures, ACH Returns and ACH Credit Reversals) by **8:30 a.m. E.T.**

The ACH Web-based Inquiry/Communication System should provide users the ability to generate reports that can be downloaded into Microsoft Excel or PDF formats.

2. Web-based Access to Account Activity Detail and Balance Summary Information

The bank's Web-based Inquiry/Communication System must provide State personnel access to account activity detail and balance summary information by **8:30 a.m. E.T.**

The bank's Web-based Inquiry/Communication System should provide report generating capabilities with the option to print and download data into Microsoft Excel or PDF formats.

a. Account Activity Detail

The account activity detail must be available for viewing via the bank's Web-based Inquiry/Communication System by **8:30 a.m. E.T.**

All ACH Credit Received and ACH Debit Originated transaction items must be available for viewing via the bank's Web-based Inquiry/Communication System the same day of settlement.

All other transaction items (NOCs, Pre-Notes, Pre-Note Failures, ACH Returns and ACH Credit Reversals) must be available for viewing via the bank's Web-based Inquiry/Communication System the morning after the transaction item is received by the bank.

All ACH transaction items posted to the account must contain the following details:

1	Account Number
2	Settlement Date
3	Transaction Type (ACH Credit Received, ACH Debit Origination, NOC, Pre-Note, Pre-Note Failure, ACH Return, ACH Credit Reversal)
4	Transaction Amount

b. Balance Summary Information

The bank's Web-based Inquiry/Communication System must provide information reporting that enables the State to view the current/intraday and previous day balances.

The following balance summary information must be available for viewing via the bank's Web-based Inquiry/Communication System **8:30 a.m. E.T.** the same day as settlement:

1	Beginning balance
2	Deposits and other adjustments
3	Deductions
4	Ending balance

3. Web-based Wire Transfer System

The bank must provide to the State a Web-based Wire Transfer System. The system must be capable of warehousing data **for up to two (2) weeks** until the transmission execution date. The system should have the capability of maintaining repetitive wires requiring only date and amount. The wire transfer system must also provide the State the ability to complete drawdowns from State bank accounts located at other banks. The system must contain the proper security features to ensure the protection of the data and to maintain the integrity of the system.

The bank must adequately train State personnel on the use of its Web-based Wire Transfer System and provide **a minimum of three (3) user manuals**. Additional training and updated user manuals will be required prior to the bank implementing any major Web-based Wire Transfer System changes.

The State must have access to a toll-free telephone “wire transfer help desk” during normal State working hours, **8:00 a.m. E.T. to 4:30 p.m. E.T.** The bank must provide on-going maintenance and emergency service when necessary. The bank must have a manual wire transfer backup system and procedures established in the event of an electronic failure or system failure.

The bank will be responsible for the following items relative to the Web-based Wire Transfer System:

1	Successful testing of the bank’s Web-based Wire Transfer System
2	Adequate training of State personnel and follow up training if warranted
3	A minimum of three (3) user manuals and updates if warranted

4	Access to a toll-free telephone “wire transfer help desk” between the hours of 8:00 a.m. E.T. to 4:30 p.m. E.T. Monday-Friday.
5	On-going maintenance and emergency service when necessary
6	A manual wire transfer back-up system and procedures in the event of an electronic or system failure
7	Prompt response to <u>all</u> wire instructions regardless of temporary overdraft position (i.e. daylight overdraft)

The bank must promptly respond to all State wire instructions no later than **thirty (30) minutes** after receipt of the instruction from the State. It is the intention of the State to fully fund all electronic payments on transaction date. At any time during the day, as a result of electronic payments, if the account is placed in a temporary overdraft position, the State expects the bank to initiate all electronic payments when requested regardless of its temporary overdraft position.

The State does not monitor daily temporary overdraft positions.

The bank must explicitly state in its proposal if there are any restrictions, current or anticipated (self-imposed or regulatory) that will prevent the bank from immediately complying with the State’s request to transfer funds as requested.

The bank will be liable for loss of interest resulting from its error or delay in transmitting an entry when properly instructed to do so. The interest will be calculated by using the 90-day T-bill rate for the period involved.

The Department of the Treasury, Office of Management and Budget, Cash Accounting Unit will initiate a daily wire transfer from the Division of Revenue and Enterprise Services ACH Depository Account, based on the current day’s settlement transaction totals to the State’s General Treasury concentration account. In addition, Cash Accounting will initiate wire transfers approximately once a week from the Division of Revenue and Enterprise Services ACH Depository Account to other State accounts.

I. Bank Statements and Reporting

1. Daily Automated Balance Reporting

All accounts established and any future accounts established will require daily prior-day balance reporting. The bank must deliver the file containing data in unencrypted BAI2 format to its own secure server. The State's vendor, Fidelity National Information Services, Inc. (FIS), will pull the file from the bank's server using Secure File Transfer Protocol (SFTP). The bank must provide the account balance information in unencrypted BAI2 format every working day by **7:30 a.m. E.T.**

For each account the report must include at a minimum the following data fields:

1	Transaction Date
2	Collected balance
3	Available balance
4	Ledger balance
5	Total credits
6	Total debits
7	1-day float
8	2-day float

For all the reporting fields, there should always be data reported. Therefore, if there is no amount reported, the bank should input 00.00 in the specific amount field. As technology improves and balance retrieval methods change, the State requires that the chosen bank remain flexible throughout the term of this contract as it relates to the method of securing balance reporting in unencrypted BAI2 format.

2. Daily Bank Statements

The Bank's Web-Based System must provide access to a daily bank statement for all accounts resulting from this RFP.

The bank must also maintain the Daily Bank Statement for all accounts established as a result of this RFP for **seven (7) years**. The State will only require the actual delivery of a Daily Bank Statement upon request. In these instances, usually related to an audit or reconciliation issue, the bank must deliver a complete Daily Bank Statement within **two (2) business days**. The State anticipates these instances will be very rare and, in these instances, the bank can deliver the requested Daily Bank Statement via CD-ROM or in hard copy.

The Daily Bank Statement must contain balance summary information and detailed break downs of account activity as follows:

1	A single entry for all taxpayer credit-initiated items
2	A single entry for all State debit-initiated items
3	A separate entry for each wire transfer (Incoming taxpayer-initiated wires-in are prohibited)
4	A separate entry for all other miscellaneous postings

During the course of the contract term, the State may request the Daily Bank Statement be delivered via electronic file transfer. The State will require that the method of transmission used to send the Daily Bank Statement adhere to ***EXHIBIT A State of New Jersey OIT File Transfer Guide***. The file format will be determined upon implementation.

3. Account Reconciliation Solution

The Office of Management and Budget has contracted a third-party vendor, BlackLine, Inc., as the solution to prepare account reconciliations in a more automated and efficient manner.

On a daily basis, both the bank and the State will transmit files to BlackLine, Inc. The bank must transmit an electronic file on a daily basis to BlackLine, Inc.'s SFTP portal by **7:30 a.m. E.T.** This file must be in an encrypted standard BAI2 format and must contain the previous day's detail information, including every transaction posted to every account and daily balances. The transaction must not be summarized or totaled in any manner.

The file the bank sends to BlackLine, Inc. must contain:

Bank Name
Bank Account Number
Transaction Date
Amount
Description, including any location code, if available
Check Number
Transaction Type, include Dr (debit) or Cr (credit)
BAI Transaction Description
File Name
Date File Imported
Holiday Date

J. Customer Service/Inquiries

The bank must respond to all State inquiries in a prompt, efficient and courteous manner.

The bank must provide access to designated customer service contacts during normal State hours of operation, Monday thru Friday between **8:30 a.m. and 4:30 p.m. E.T.**

The bank must provide access to designated file transfer personnel via a toll-free number, **24 hours a day, seven (7) days a week.**

Performance standards regarding the number of rings prior to calls being answered and the average “on-hold” time must be consistent with current industry standards.

K. Vendor Contact Personnel

The bank should appoint a senior officer (vice-president or above) and a qualified substitute as a representative for contact and liaison with the State. This representative will be solely responsible for ensuring that the contract requirements are met, implementing State instructions and resolving problems that may arise on a day-to-day basis during the term of the contract.

The bank must provide proper lines of communication including: names and titles of contact personnel, locations of operation, office hours, telephone number(s) (office and cell), fax number, email address for immediate response to any request for information pertaining to this RFP.

The State requires that the vendor designate a **minimum of two (2) individuals** for each category noted below (not necessarily all inclusive) who will be responsible for responding to daily inquiries, resolving on-going problems, and providing initial and on-going training, etc.

Primary and backup contact for each category:

1	General customer service
2	Bank statements, credits and debits
3	Daily balance reporting
4	Invoice and bank analysis
5	File transfer technical contact
6	ACH contact
7	Wire transfer contact
8	Implementation and testing contacts
9	Training personnel contacts

In the event a personnel change results in a different contact being assigned to the State, written notification will be provided **15 days prior** to the change becoming effective. The same notification requirements apply to a change in contact at the subcontractor level.

L. Implementation and Testing

The bank must provide a detailed implementation and testing schedule in its proposal showing how implementation of services will be completed and fully tested prior to the contract commencement date listed in the Timetable of Events.

The bank is fully responsible for, and **must** take the lead in, the timely and successful implementation and testing for this contract and **all** services, files, transmissions, and

any needed state approvals it requires. The State of New Jersey cannot continue service with its current provider to support a new provider's development, implementation, and/or testing needs.

This detailed implementation and testing schedule must highlight all critical RFP elements including, but not limited to: the opening of accounts, establishing account administrators, providing account tokens, if applicable, establishing State access to all required modules of the bank's Web-based Inquiry/Communication System, reporting requirements, file transfer testing, State approval of bank reports and bank statements and the training of necessary State personnel. The bank's implementation plan must be highly detailed and include clearly defined start and end dates for each critical RFP element along with how each element will be accomplished and who will be responsible.

During key implementation and testing phases the bank's assigned dedicated Senior Implementation/Project Manager must organize and lead weekly implementation status conference calls so as to define, organize, assign, and accomplish all implementation deliverables. The bank's dedicated Senior Implementation/Project Manager must work jointly with the State's defined Project Manager for the duration of the contract implementation and testing phases. The bank will be responsible for guiding the entire implementation team, both bank and State representatives, and must ensure all individuals involved are properly and appropriately informed of deliverable deadlines and the status of the contract implementation.

The initial meeting, the Contract Kick-off Meeting, must be in-person between the bank and the State and must clearly define the deliverables for both parties and who is responsible for completing each task. All due dates for each task must be noted and agreed upon. The bank's Senior Implementation/Project Manager is responsible for keeping track of the completion status of all tasks and include these status updates on the required weekly implementation calls.

The State's Project Manager will be responsible for coordinating and assigning State personnel resources to each task of the project that requires State involvement. This project manager will keep State employees on track to reach defined deadlines accurately and on time.

The bank's dedicated Senior Implementation/Project Manager will be responsible for ensuring weekly meeting agendas are disbursed to the appropriate attendees in a timely manner prior to each meeting so that all individuals involved have time to closely review the agenda and be knowledgeable on the topics that will be discussed.

Meeting minutes are the responsibility of the bank and should clearly define and outline what was accomplished during the meeting, what deliverables are due, and who is responsible for those deliverables for the next scheduled meeting.

If warranted, the State may request the bank send representatives to meet with State personnel at a centralized Trenton location.

Since this RFP represents important collection and/or disbursement streams for the State of New Jersey, the bank must be willing and capable of attending multiple post implementation meetings at a centralized Trenton location if there are contractual concerns. The implementation and testing schedule must include at least one face to face post implementation meeting.

All costs associated with initial programming, testing, training and post implementation meetings must be bundled into the banking fees and not shown as a separate line item on the Cost Schedule.

M. Training

The bank must provide adequate training both initially and on-going to ensure that State personnel thoroughly understand all report information and can identify the codes indicated on all reports. All systems should be explained and demonstrated to representatives from the Division of Revenue and Enterprise Services and Cash Accounting during the implementation and testing phases.

A minimum of **three (3) sets** of operating manuals must be provided to the State preferably in hard copy, with any subsequent additions, deletions or revisions to the manuals forwarded to the State promptly.

A training outline, schedule and synopsis of the major training categories and the trainer's name along with their experience, must be included in the bank's response to the State's training requirements.

The bank must be certain that the Web-based Inquiry/Communication System is operating satisfactorily and that State personnel have been properly trained on its use.

The State estimates approximately **15 State employees** will require training.

VI. REQUEST FOR ADDITIONAL INFORMATION-FUTURE CONSIDERATION

For future consideration only and if possible, please provide an overview of your bank's current ability to support both API-based and file-based integration methods to enable seamless communication and data exchange with DORES.

In your overview or summary please include:

- Real-Time and Batch Processing Capabilities
- Standard Protocols & Security
- Testing and Certification Environment
- Dedicated Integration Support
- Vendor Collaboration

This Request for Information is NOT an RFP Scope of Work requirement and the bank's response WILL NOT be considered as part of the State's proposal evaluation, cost assessment, and contract award.

VII. EVALUATION CRITERIA

The State must be satisfied that the bank has the necessary technical expertise, experience, and resource capabilities to satisfactorily perform the requisite services stated in this RFP. The State reserves the right to obtain any information from an independent source to evaluate bid proposals in accordance with the stated criteria. Selection of other than the apparent low bid will be fully documented. An award will be made to that responsible bidder whose bid, conforming to the RFP, will be most advantageous to the State, price and other factors considered.

The following general criteria, not necessarily listed in order of significance, will be used to evaluate the vendors' proposals. A more detailed evaluation worksheet may be developed which may expand on the technical requirements of the RFP. The State reserves the right to request additional information prior to contract award.

The bank's overall response to all questions in Section VIII., Vendor Response.
The bank's overall experience on projects of similar scope and size.
Response to possible follow-up inquiries.
The bank's financial condition and ratings.
Clarity and completeness of the required reports and documents.
Web-based Inquiry/Communication System reliability, capabilities and ease of use.
The adequacy of the security measures, contingency plans and backup procedures.
The bank's commitment to provide adequate technical and personnel resources to satisfactorily meet the requirements of the RFP.
ACH receiving and reporting capabilities.
The State's overall assessment of client references.
Completeness and feasibility of the bank's implementation, testing and training plans.
Ability to accommodate any future State-mandated program changes within the time frame acceptable to the State.
Any other information that would assist the State in the selection process.
Cost.

VIII. VENDOR RESPONSE

The vendor shall prepare responses to the questions listed below which will demonstrate the vendor's understanding, experience and ability to adequately provide the services as required in this Request for Proposal (RFP). The vendor must address each question in its entirety providing details when warranted. The vendor is encouraged, in its response document, to expand upon any issue, RFP statement or RFP requirement that it deems not adequately addressed by this RFP.

Each vendor is given latitude with respect to the detail it elects to offer. However, vendors are cautioned that insufficient detail may result in a determination that the bid proposal is materially non-responsive and will result in disqualification of the bid proposal.

Proposals that do not conform with or that take exception to the State of New Jersey's requirements as set forth in **SECTION II. TERMS AND CONDITIONS**, **SECTION III. OTHER MANDATORY PROVISIONS** and **SECTION IV. PAYMENT METHODS AND TERMS** will be considered materially non-responsive and therefore rejected.

Vendors are instructed to clearly identify any requirement(s) listed in **SECTION V. SCOPE OF WORK** of this RFP that the vendor cannot satisfy. Any deviation to the technical specifications must be clearly noted and fully explained. The State reserves the right to accept any minor deviations if it is deemed to be in the best interest of the State.

The vendor assumes responsibility for the complete effort required in this RFP. No special consideration shall be given after the bids are opened due to a bidder's failure to be knowledgeable of all the requirements of this RFP. By submitting a proposal in response to this RFP, the bidder represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

It is requested that all pages for the response be numbered and that responses reference the original questions.

1. Confirm the bank understands and accepts all the **TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS** and **PAYMENT METHOD AND TERMS** of this Request for Proposal (RFP).
2. Confirm the bank maintains a branch presence throughout the State of New Jersey. Include a detailed list of all bank locations throughout the State, broken down by county.

If a branch location closure/merger has recently occurred or been announced prior to or during the vendor's proposal preparation period, the bank must disclose that information.

3. Identify any and all subcontractors, its officers, the contractual arrangements made therewith and state what services will be subcontracted. Confirm the bank will provide the State with **90 days** written notice prior to employing or replacing a subcontractor. Confirm that no replacement firm will begin work without prior State approval.

Confirm the bank thoroughly researched and confirmed the ability of its sub-contractor(s) to deliver services exactly as requested in this RFP. Confirm the bank's understanding that the State will not amend its requirements to accommodate a sub-contractor's unwillingness to provide required documents or its inability to deliver services exactly as stated/required in this RFP.

4. If a merger/acquisition has recently occurred or been announced prior to or during the vendor's proposal preparation period, identify all relevant or emerging dates surrounding the merger relative to official name change, system changes, account number changes, and ALL operational changes that could affect or impact the State's required services, if known at the time of bid submission.

Confirm the bank and any successor vendor (in the event of merger/acquisition or other change in operating status), will assume sole responsibility for the complete effort of any contract(s) awarded to the bank subsequent to its bid submission, and assume all cost incurred by the State, directly or indirectly, in connection with or as a result of the transition.

Confirm the bank and any successor vendor (in the event of merger/acquisition or other change in operating status) will assume sole responsibility for providing in person training to essential State employees.

5. The Bidder must state whether it has had a contract terminated for default in the last **five (5) years**. Termination for default is defined for these purposes as notice to stop performance delivery due to non-performance or poor performance and non-performance was either: not litigated due to inaction of the Bidder; or, litigated and determined that the Bidder was in default.
- a. If the Bidder has had such a contract termination, the proposal should contain full details including the party's name, address and telephone number. The Bidder should explain the action taken to correct the problems involved prior to contract termination.
 - b. If the Bidder has not had a contract terminated for default in the last five (5) years, state this fact clearly.

6. Confirm the bank's understanding of the State's file protocol and methods of file transmission depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide**. The bank must clearly identify any/all methods of file transmission depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide** that it can support.

The bank must clearly identify any/all methods of file transmission depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide** that it cannot support; failure to do so will result in the mutual understanding that all methods of file transmission in **EXHIBIT A State of New Jersey OIT File Transfer Guide** are supported by the bank.

The State's preference is to use Connect: Direct Secure ++. A bank's ability to support this data transmission option will be rated favorably during the evaluation process. List all the file transfer protocols supported by the bank.

7. Confirm that bank will maintain all records and other documentation needed for the execution of this contract. Confirm the records will be made available to the State during the contract term and for a period of **seven (7) years from the date of final payment**.

Confirm all bank-generated transaction records, including but not limited to: transaction detail, bank generated reports, deposit slips, bank statements and invoices will be made available to the State for a period of **three (3) years from the date of transaction**.

8. Respond to **SECTION III. OTHER MANDATORY PROVISIONS:**

- a. **Financial Statements:** The bank and any direct subcontractors must include their most recent audited financial statements or financial comments if a privately held company.
- b. **Ownership Disclosure Form:** The Bank and all subcontractors must complete an Ownership Disclosure Form and include copies with each bank proposal. See **EXHIBIT B Ownership Disclosure Form.**
- c. **Non-discrimination Law:** The Bank must acknowledge anti-discrimination law N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq., N.J.S.A. 10:5-31 through 10:5-38 and N.J.A.C. 17:27-3.4, and abide by all rules and regulations issued there under.
- d. **Collateralization of Deposits:** Confirm the bank's ability to adhere to the Department of the Treasury Collateralization Policy. Refer to **EXHIBIT C Collateralization Requirements for State Held Deposits.**
- e. **Proof of Registration Requirements:** The Bank and all subcontractors must submit a copy of the Business Registration Certificate(s) prior to the time of the contract award.
- f. **N.J.S.A. 52:34-13.2:** Confirm the bank and all subcontractors' ability to adhere to N.J.S.A. 52:34-13.2. The State prefers the vendor submit with its bid proposal **EXHIBIT D N.J.S.A. 52:34-13.2 Certification**, completing all sourcing information required of the bank and any proposed subcontractor, identified in its proposal. If the certification was not submitted with the bid proposal, confirm the bank's ability to submit the required document within **five (5) business days** of the State's request for the information.
- g. **Disaster Recovery Plan:** The vendor must include an overview of its disaster recovery plan in its proposal. Specifically address in the overview contingency plans for data processing systems, equipment, power, information reporting, or

other failures that would affect services or reporting of data. Confirm that the system would be completely functional within **48 hours** of a major disaster.

Confirm the bank is able to receive and process data files from the State via electronic transmission.

Confirm the bank will fully cooperate during any and all disaster recovery testing operations initiated by the State. Indicate any organizational production and/or testing shutdown timeframes during the calendar year that would forbid the bank from participating in State disaster recovery testing.

Confirm the bank's willingness and ability to work with the State's Disaster Recovery Site to establish a mutually agreed upon connectivity method to transfer data in the event the main file transfer mechanism is unavailable.

Confirm the bank's ability to receive and validate test files transmitted or delivered from a State disaster recovery exercise. Confirm the bank's ability to accept and run test files, validate received files as if they were production files, provide documentation as to the correctness of the data, confirm the legibility of replica production checks and return test checks to the State.

Confirm the bank has safeguards in place to prevent test files from being loaded into the production environment.

- h. **Destruction Requirements:** Confirm the bank will destroy **all** public documents in accordance with State regulations and follow the retention schedule promulgated by NJDORES.

- i. **P.L.2022, c.3 Certification of Non-Involvement in Prohibited Activities in Russia or Belarus:** Confirm the bank's ability to adhere to **P.L.2022, c.3**. The submission of a completed **EXHIBIT F Certification of Non-Involvement in Prohibited Activities in Russia or Belarus Pursuant to P.L. 2022, c.3** is required with bid submission.

9. Confirm the compensating balance will be considered as the total average collected balance of each account(s) less the non-earning Federal Reserve requirement in effect during the course of the contract term. Confirm the earnings rate will be determined from the average of each month's 13-week Treasury bill yield auction results.
10. Describe in detail the bank's customer service operation, procedures, turnaround/response times, and staffing levels. Complete customer service capabilities and resources may be reviewed at an oral presentation or viewed and critiqued by the committee if a site visit is requested by the State.
11. Provide the names and contact information for the officers and management personnel (including any subcontractors' personnel, if applicable) who will be responsible for the fulfillment of the services requested herein; e.g. daily operations, hard copy reports, electronic reports, file transmission issues, daily balance reporting, invoices/analysis, bank statements, earnings credit rate, ACH services including ACH debit blocks, Web-based Inquiry Communication System to perform account detail and summary look ups, transaction detail information and to initiate transactions (i.e. stop payments, internal book-to-book transfers and payment cancels), disaster and recovery, technology issues, customer services, implementation and testing, and training.

The designated liaisons should be exclusive to each category. Specifically identify and include the following information for each of the primary contacts and backup individuals who will be responsible for responding to communications from the State:

1	Contact name and title
2	Physical location and mailing address.
3	Contact numbers: office, cell, fax
4	Email address
5	Office hours
6	A backup or alternate contact for each of the service categories listed above

12. For reference purposes, provide the names, addresses, contacts and telephone numbers for three (3) of your present customers for whom the bank is providing similar services as those requested herein; ACH debits/credits and debit block services, Remote Deposit Capture Services, earnings credit rate, daily balance reporting, access to the bank's Web-

based Inquiry Communication System to complete inquiries and to perform/initiate transactions. If possible, provide references with activity volumes equal to or greater than those depicted in this RFP. Include any other information concerning the bank's experience that would assist the State in evaluating the bank's capabilities.

13. Confirm the bank is a member of the National Automated Clearing House Association (NACHA) and will follow the rules and regulations as outlined in the latest published ACH operating manual. Confirm the bank has electronic CCD, CCD+, PPD and CTX file transfer sending and receiving capabilities and has experience with the ACH Tax Payment (TXP) format.
14. Confirm Fed wires **will not** be accepted into the Division of Revenue and Enterprise Services ACH Depository Account and the bank will seek to prevent them.
15. Confirm that all ACH files that are received by **6:00 p.m. E.T.** and confirmed by the bank will be processed by the bank by **10:00 p.m. E.T.** and the funds associated with the transaction file will be deposited into the Division of Revenue and Enterprise Services ACH Depository Account the next banking business day.
16. Confirm the bank will increase or decrease the number of Payment Types (5-digit EFT Codes) processed through the Division of Revenue and Enterprise Services ACH Depository Account, within one (1) month of the State's request, at **no cost** to the State.
17. Confirm that **all** accounts established as a result of this RFP will be protected against unauthorized ACH debit activity.
18. Confirm the bank will automatically decline any checks presented for payment against this account as the State of New Jersey does not issue checks from the Division of Revenue and Enterprise Services ACH Depository Account.
19. Confirm the bank is capable of receiving and effectively processing the volume of ACH transactions depicted on **EXHIBIT I April 2024 to March 2025 Transaction Volumes and Dollar Amounts**. Acknowledge the bank's understanding that ACH payment volumes usually peak on payment due dates, the 15th and 20th of each month, and that the highest deposit volumes will be experienced the period of April 15th through April 30th

of each year. Describe what steps the bank will take during peak times to ensure all ACH transactions are processed and deposited into the Division of Revenue and Enterprise Services ACH Depository Account the next business day.

Explain if the bank has any ACH file transfer size or transaction volume limitations.

20. Confirm the bank will have a documented contingency plan in place, either manual or other, as a backup to receive ACH data and that the contingency plan documentation or procedure will be available for the State to review upon request.

Summarize the bank's documented contingency plan, manual or other, in the event of file transfer failures.

21. Confirm all ACH Credit Received and Debit Originated transaction items will be accessible to the State via the bank's Web-based Inquiry/Communication System the same day of settlement and that all other transaction items (NOC, Pre-Note Failures, ACH Returns and ACH Credit Reversals) will be accessible to the State via the bank's Web-based Inquiry/Communication System the morning after the transaction is received by the bank.
22. Confirm the bank can receive and store the Payment Type Validation File at the beginning of the contract and then every week after that for the lifetime of the contract.

Confirm the bank will follow the validation procedures outlined in the "Payment Type Validation File" section of this RFP and can fulfill related reporting requirements.

23. Confirm the bank is capable of receiving the nightly ACH Debit Origination file transfer (Sunday through Friday) at **6:00 p.m. E.T.**

Confirm the bank will provide OIT with an email confirmation **within 30 minutes** of the successful receipt of the nightly ACH file transfer containing all required elements.

Confirm also that if the nightly file is not received by **6:30 p.m. E.T.** the bank will email the established OIT contacts. In addition, confirm that if the file remains outstanding, the bank will phone OIT personnel.

24. Confirm the bank can provide all the required reports and files (including all requested detail information) within the requested delivery times as indicated in the RFP text and in the following exhibits: **EXHIBIT M Daily ACH Transaction Detail File Layout**, **EXHIBIT N Daily Tax Summary Report Sample** and **EXHIBIT O Daily Addenda Record Error Report Sample**.

1	Daily ACH Transaction Detail File (no later than 8:30 a.m. E.T.)
2	Daily Tax Summary Report (no later than 8:30 a.m. E.T.)
3	Daily Addenda Record Error Report (no later than 8:30 a.m. E.T.)

Confirm the bank can support the State's preference to receive a single Daily ACH Transaction Detail File, containing one record for each individual transaction. A bank's ability to provide this information in a single file will be rated favorably during the evaluation process.

Confirm all ACH Credit Received and ACH Debit Origination transaction items will be reported by the bank on the date of settlement and also confirm all ACH Returns and ACH Credit Reversals will be reported by the bank on the morning after the transaction item is received.

Indicate if and why the bank is unable to provide any detail information requested in the files/reports listed above.

Include one sample report for each of the items listed above. Reports should show placement of required report elements.

25. Confirm that the Error Codes (transaction specific item 18) on the Daily ACH Transaction Detail File will be populated by the bank and appear on the Daily Addenda Record Error Report.
26. Confirm the bank will validate each transaction's Taxpayer Prefix and that the bank will follow the procedure outlined in the "Taxpayer Prefix Validation" section of this RFP, including related reporting requirements.

27. Confirm the bank will make available the Daily Tax Summary Report information for viewing and printing via the bank's Web-based Inquiry/Communication System for a **period of 90 days after the transaction date** and that this reporting will provide a summary of that day's ACH settlement totals dollars (ACH Credits Received and ACH Debit Originations). Also confirm the bank can include the dollar totals of ACH Returns and Reversals to be debited from the State's account that day.

Confirm the following information will be included on the Daily Tax Summary Report:

1	Bank Account Number
2	Payment Type (State assigned code)
3	Settlement Date
4	Transaction Type (ACH Credit Received, ACH Debit Origination, ACH Return, ACH Credit Reversal and NOC)
5	Transaction Amount

28. Confirm the bank will provide an electronic file of all addenda record errors **no later than 8:30 a.m. E.T** on a daily basis. Confirm the report will list all transactions that were missing addendum, had addenda that was not in the proper TXP format, had an invalid taxpayer prefix, or had a payment type that does not correspond to a payment type found on the Payment Type Validation File.

Confirm the bank will follow the procedure outlined in the "Daily Addenda Record Error Report" section of this RFP.

29. Confirm the bank will honor all ACH Credit Reversal requests, within authorized timeframe, to return funds that were erroneously taken from a taxpayer's account.
30. Confirm the bank is able to receive and process payments that are initiated by taxpayers using batch payment applications either obtained from their own financial institution or from the State's contracted bank.

Confirm the bank's ability to supply taxpayers with a batch payment application and detailed installation instructions within one (1) week of a taxpayer's request, at no cost to the taxpayer. Confirm users will have the ability to install the application on one (1) or

multiple computers. Confirm the bank is able to provide application installation and transaction assistance via **a toll-free number accessible Monday through Friday 8:30 a.m. E.T. to 6:00 p.m. E.T., at no cost to the taxpayer.**

31. Provide a detailed description of the bank's Web-based Inquiry/Communication System. Include sample reports and screen shots of the requested modules. For evaluation purposes, provide a CD-ROM or access to a web-based tutorial that highlights the capabilities and functionality of the bank's Web-based Inquiry/Communication System.
32. Confirm the bank's ability to provide access to all account activity detail and balance summary information **8:30 a.m. E.T.**. Confirm that all ACH Credit Received and ACH Debit Originated transaction items will be reported by **8:30 a.m. E.T.** the same day of settlement and all other ACH transaction items (NOC, Pre-Notes, Pre-Note Failures, ACH Returns and ACH Credit Reversals) will be reported by **8:30 a.m. E.T.** the morning after the transaction item is received by the bank. Confirm that multiple users will be able to access this information simultaneously.

Confirm the account activity detail will contain the following information for all ACH credits received and ACH debit originations posted to the account:

1	Account Number
2	Settlement Date
3	Transaction Type (ACH Credit Received, ACH Debit Origination, NOC, Pre-Note, Pre-Note Failure, ACH Return and ACH Credit Reversal)
4	Transaction Amount

Confirm the balance summary information will contain the following information for current day and previous day balances:

1	Beginning Balance
2	Deposits and other adjustments
3	Deductions
4	Ending balance

33. Confirm the bank's Web-based Inquiry/Communication System provides report generating capabilities reflecting all transactions processed for a **minimum of six (6) months.** Confirm the bank's system will permit users the ability to search, view, print and download/save reports in Microsoft Excel or PDF formats.

34. Provide a detailed description of the bank's Web-based Wire Transfer System and include sample screen shots. Confirm the bank can comply with the requirement to wire transfer funds out upon request without regard to the balance in the account. Explain any restrictions that will prevent the bank from immediately complying with the State's request to wire transfer funds out.

Describe the bank's manual wire transfer backup procedures. Define the security features of the bank's Web-based Wire Transfer System.

35. Confirm the bank's ability to deliver the Daily Prior Day Balance Reporting file containing all required data elements in unencrypted BAI2 format to its own secure server every working day by **7:30 a.m. E.T.**

Confirm the bank understands the State's vendor, Fidelity National Information Services, Inc. (FIS), will pull the file from the bank's server using Secure File Transfer Protocol (SFTP) and any encryption format required by the bank must be compatible with the automation of the retrieval process of the bank report, such that a bank report can still be retrieved and unencrypted in an automated fashion.

36. Confirm the bank can provide the Account Reconciliation Solution information to the State's third-party vendor, Blackline Inc., by **7:30 am E.T.**, as outlined in this RFP. Define any information the bank cannot provide, if any.

37. Confirm the bank is able to provide access to a daily bank statement for all accounts resulting from this RFP including the required balance summary information and detailed breakdowns of account activity. Confirm the bank is able to maintain the Daily Bank Statement for all accounts established as a result of this RFP for seven (7) years.

Confirm the bank can deliver a complete Daily Bank Statement upon request via CD-ROM or in hard copy.

38. Provide a detailed implementation schedule to achieve the **February 1, 2026** contract commencement requirement. Provide beginning and end dates for each of the critical RFP requirements: the opening of accounts, establishing account administrators, providing account tokens, if applicable, establishing State access to all required modules of the bank's Web-based Inquiry/Communication System, reporting requirements, file transfer testing, State approval of bank reports and bank statements and the training of necessary State personnel.

Detail the timeframes and resources required to establish and test the information exchange communications between the State and the bank pertaining to testing, file transfer testing, Pre-Note testing and automated balance reporting testing. Define both State and bank personnel commitment requirements during the conversion process.

Disclose any factors that may impact the proposed deliverable schedule and contract commencement requirement.

39. Confirm the bank acknowledges that the bank is fully responsible for, and must take the lead in, the timely and successful implementation and testing for this contract and all services, files, transmission, and any needed state approvals it requires.
40. Describe the bank's customer service operation, procedures, inquiry turnaround/response times, and staffing levels. Complete customer service capabilities and resources may be reviewed at an oral presentation or viewed and critiqued by the committee if a site visit is requested by the State.
41. Confirm the bank's ability to meet ALL the requirements outlined in this RFP, including but not limited to: account services and maintenance, daily automated balance reporting, required bank reports/files, monthly invoice and analysis, ACH collection services (including debit block), ACH reporting, ACH file transfers, access to the bank's Web-based Inquiry Communication System (including: account data information, ACH detail information and wire transfer functionality). The bank must reveal all services defined in the RFP that it cannot provide according to the specifications. The bank should indicate why the bank cannot deliver the service or standard as requested.

VIII. COST SCHEDULE

All prices submitted must remain firm and fixed for the term of the contract. All prices proposed must be inclusive of all bank supplies, postage and delivery fees, equipment costs, server space, storage fees, travel expenses, overhead, FDIC charges, profit, etc. as needed to fulfill the RFP specifications.

All costs associated with initial programming, testing, training, and post-implementation meetings must be bundled into the banking fees and are not permitted to be listed as separate line items on the Cost Schedule.

All bank-specific service acronyms and abbreviations must be clearly defined.

All methods of measurements that differ from the pre-established methods listed below must be clearly identified for each priced item.

All services that supplement or extend beyond the State's basic Scope of Work service requirements must be clearly identified as "optional services." All optional service pricing should be clearly listed in a separate cost schedule, and the optional service clearly explained.

Following are the pricing categories that are appropriate for this RFP. It is not necessary to provide pricing for each category. When completing the pricing schedule, place an "NA" in each category for which a charge is not applicable. Banks, however, must bundle their pricing categories to best accommodate the pricing categories contained on the current Cost Schedule. If a bank must add a new pricing category, the bank must clearly define the new category of service, explain any association the new category has with existing pricing categories on the Cost Schedule and provide a clear method of measurement for the additional pricing element.

The bank is not permitted to initiate debits against the State's account for any services.

	Account Services and Maintenance		
1	Account Maintenance Fee	\$	/Account/Month
2	Daily Balance Reporting (Prior Day) (Automated to Treasury Workstation via Web in BAI2)	\$	/Month
3	Daily Balance Reporting (Intra Day) (If Applicable) (Automated to Treasury Workstation via Web in BAI2)	\$	/Month
4	Check Encashment Prevention (Fraud Service)	\$	/Account/ Month
	ACH Services		
5	ACH Service Maintenance Fee	\$	/Month
6	ACH Files Originated (to Bank)	\$	/Per File
7	ACH Credit Received	\$	/Per Item
8	ACH Debit (Originated by the State)	\$	/Per Item
9	ACH Returns	\$	/Per Item
10	ACH Reversals	\$	/Per Item
11	ACH Debit Block	\$	/Account/Month
	Web-Based Services		
12	Web-based Product Maintenance (If Applicable)	\$	/Month
13	Web-based Account Inquiry	\$	/Per Inquiry
14	Web-based ACH Inquiry	\$	/Per Inquiry
15	Web-based Wire Transfer (Wire Out)	\$	/Per Transfer
	Batch Payment Applications/Payments		
16	Batch Payment Application Order	\$	/Per Order
17	Batch Payment Inquiries	\$	/Per Inquiry
18	Batch Payment (ACH Credit Received)	\$	/Per Item
	Programming Fees		
19	Programming Fees (If Applicable)	\$	/Per Hour