

## General Questions

Q: Would you be able to tell me what bank you currently work with?

A: **Bank of America Merrill Lynch**

Q: Are we required to register through your Roster Registration process in order to participate in this RFP?

A: **No**

Q: What is HASCO's Tax ID

A: **91-1061936**

Q: What is the name of the ERP system currently used?

A: **HASCO uses EmPHAsys Elite software to generate payments.**

Q: Would HASCO prefer us to provide a bank pro forma or would they like to provide a form to all bidders that would unify the information for review?

Q: How many references are you interested in submitting and is there any format you prefer the information is provided in?

Q: How many references would HASCO like provided?

Q: How does HASCO prefer the pricing submissions be sent in for each separate banking service or product?

A: **Pro-forma is expected. HASCO will accept any references provided. We would prefer the pricing submission be summarized in a format which will allow us to compare them against the analysis provided in the original RFP.**

## Landlord and Tenant Payment Questions

Q: What is the number of prepaid cards and what are the use case for the prepaid cards, ie. who are beneficiaries, for what reason are they being paid? Are the same people being paid multiple times or is this a single-use purpose?

Q: What percentage of payments to residents for their utility reimbursements are on direct deposit? Debit card? Checks?

Q: What is the current active number of prepaid card recipients?

Q: How much are the monthly loads to your current debit card program? What is the average payment amount?

Q: Are you looking for a possible new debit card provider? If so, would the awarded debit card provider be issuing new cards to all of the current cardholders?

Q: Is HASCO issuing any checks for utility reimbursements? Any checks for rental assistance payments?

Q: What are the current monthly and yearly volumes of landlord and tenant payments?

Q: What is the average deposit amount and load frequency (weekly, bi-weekly, monthly) for landlords and tenants respectively?

A: HASCO issues HAP and tenant payments semi-monthly, with the bulk of the payments made on the first business day of the month.

HASCO issues approximately 40 rental assistance checks per month and approximately 1,600 ACH payments. The average HAP payment is \$2,400.

HASCO issues prepaid debit cards to tenants for monthly utility reimbursement payments. When a tenant is eligible for utility reimbursement, the first payment is made by check. All subsequent payments are made via bank-issued prepaid debit card. We currently average 500 payments per month, and the average monthly payment is \$100. HASCO would expect the awarded bank to issue and maintain new debit cards. HASCO will also offer tenants the option of ACH deposits to meet Regulation E.

### **HUD Requirements Questions**

Q: What account(s) listed on page 8 are HUD related accounts?

A: The general fund accepts HUD Deposits, and the HAP ZBA account is used to make the HUD rental assistance payments to landlords.

Q: Are Depository and General Fund deposits held with your current banking provider? Or alternative provider?

A: All depository and general fund deposits are held with our current bank. HASCO also maintains an account with the state LGIP.

Q: Does HASCO fully segregate funds subject to the HUD 51999 letter?

A: HASCO does not segregate the deposits from HUD from other deposits except on our General Ledger, but payments to landlords for rent and tenants for utility reimbursements are made from the separate HAP ZBA account.

Q: Please provide a description for depository service: Blocked Account Pending Maintenance?

A: This is the service charge for the HUD account referenced by the 51999 form.

### **Specific Account Analysis Questions**

Q: Are account balances provided in the RFP the average amount or snapshot of a point in time

A: The account balances provided were a snapshot in time, reflected mid-month.

Q: Are the volumes provided (on page 6 and 7) in the RFP monthly or annualized?

A: The procard volumes were calculated by averaging 6 months' transactions.

Q: Can you provide a recent account analysis statement (preferably the last three months)?

A: The last month's analysis statement is attached to this document.

Q: What does the monthly average of Procard transactions details represent? Is any of that volume related to recurring vendor payments? Has HASCO considered using PCard for this purpose?

A: Monthly procard transactions are charges by employees in the ordinary course of business. They are not recurring vendor payments. HASCO currently uses gas credit cards and purchase orders for recurring vendor payments. HASCO does not currently use PCards.

Q: Would HASCO be willing to provide a list of its annual vendor payment amounts/activity for analysis?

A: This may be an item for discussion after the RFP is awarded but will not be offered as a response to the RFP.

Q: What is the intended balance for the interest-bearing account? HASCO provided a list of accounts, are one of these the intended interest-bearing account?

A: HASCO expects the general fund account to be the intended interest-bearing account.

Q: What is HASCO's current ECR (Earnings Credit Rate)?

A: 0.25%

Q: Could volumes be provided to match up with the unit prices and total prices provided?

A: Please refer to the additional analysis attached to this question & answer.

Q: Concerning Image Cash Letter. There is not any number of items processed provided. Would this be the same as the number of items deposited? If so, could a volume be provided for either or both?

A: In the month of November, we recorded 178 remote deposits totaling 2,019 individual items. The main office processed 18 deposits with 384 items.

Q: Can HASCO provide their investment policy?

## 7.0 CASH MANAGEMENT AND INVESTMENT POLICY

The purpose of the Housing Authority cash management and investment program is to assure the availability of cash for transaction needs, preserve the value of cash resources and earn the maximum return on funds until disbursed. HASCO's policy is to provide prudent stewardship over the use of our funds with safety and preservation of capital as our primary objective.

The Federal Code of Regulations, Part 85, Subpart C, (24 CFR § 85.20) requires Housing Authorities to establish cash management procedures. Cash management is the process of managing the cash flow of a Housing Authority to optimize its use of funds. This process involves monitoring the timing of receipts and disbursements to assure the availability of funds to meet expenditures and to earn a reasonable rate of return from the investment of temporarily surplus funds. Effective cash management calls for organized planning.

## 7.1 CASH MANAGEMENT

In the interest of maximizing the efficient use of cash resources the Housing Authority will monitor and track income (inflows) and routine expenses (outflows) monthly, "Cash receipts" shall include dwelling rental, estimated interest income, other income, and any HUD subsidies. "Cash disbursements" shall include salaries and benefits expense, other administrative expense, utilities, ordinary maintenance and operations, and general expenses. Estimated interest income is based on projected cash available each month. The factors which should be reflected are:

- a. The timing of rental income collected.
- b. The seasonal variety of utility bills.
- c. The timing of recurring payments, such as payrolls.
- d. The dates and amounts of operating subsidy payments needed to meet cash requirements.

Monies which are in excess of normal routine expenses shall be invested in approved securities. There shall, however, always be cash available for any emergency or to facilitate liquidity for normal transaction needs. A Federally insured financial institution (such as a bank) shall be utilized to the fullest extent possible for cash management and investment services, providing it is a cost-effective means of investing.

### 7.1.1 *Public Depositories*

It is the intent of the Housing Authority that, except for funds deposited pursuant to a fiscal agency contract with the state fiscal agent or its correspondent bank, no public funds may be deposited in demand or investment deposits except in a qualified public depository or as otherwise permitted by statute. Total deposits of a treasurer in a depository may not exceed that depository's net worth (RCW 39.58.130).

A financial institution receives designation as a public depository from the Public Deposit Protection Commission (PDPC). This designation is readily verified, either from the institution (a letter of authority from the Commission) or from the PDPC. The PDPC publishes a quarterly list of each qualified depository and its net worth. This list will be furnished upon request by writing to:

Public Deposit Protection Commission Office of State Treasurer  
General Administration Building  
P.O. Box 40206  
Olympia, WA 98504-0206

### 7.1.2 PDPC covers losses as provided by statute

All public deposits in qualified public depositories are protected from loss as provided in Chapter 39.58 RCW, but there are some limitations. In the event of a loss due to default of a qualified public depository, the PDPC would:

- a. Determine the net deposit liability of the defaulting institution after FDIC coverage.
- b. Make assessments against all bank depositories or all thrift depositories, depending on whether the defaulting institution was a bank or a thrift institution.
  - First, against the defaulting institution to the full extent of securities pledged as collateral.
  - Second, against all other bank or thrift depositories, for their proportionate share of the loss, up to a maximum of 10 percent of each institution's public deposits. (RCW 39.58.060(3); 39.58.010(6).)
- c. Represent all public treasurers for liquidation of the defaulting institution's assets to recover the remaining net deposit liability, if any exists after assessments against all bank or thrift depositories.

Treasurers should be aware that in the event of a default of a qualified depository, the funds in that institution could be tied up until deposit balances are certified and assessments are collected (RCW 29.58.060). Diversification of investments among various bank and thrift institutions could help alleviate potential cash flow problems.

## 7.2 INVESTMENT MANAGEMENT

Any temporary surplus of monies on hand shall be invested in order to earn a reasonable rate of return. Temporary surplus would be any amount in excess of current needs and any other amounts on hand which are necessary for purposes of liquidity, and for maintaining a positive working relationship with the Housing Authority's financial institution. Only approved investments will be utilized. Approved investments are detailed in attachments A & B.

### 7.2.1 Determination of investment type

The determination of the best or appropriate types and mixtures of investments is dependent on several factors. The primary objective is safety. Once that objective is attained, the optimum return on the investment should be consistent with the goals of the cash management program of the Housing Authority. The factors that should be considered include the following:

- a. Safety - Safety is achieved through adherence to the list of permitted investments which are backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. Government, a Government agency or issued by a Government-sponsored agency, coupled with an appropriate maturity date.

- b. Yield - The Housing Authority should strive to achieve the highest yield consistent with the other factors of the investment policy. Tax-exempt securities are not appropriate for investment by a Housing Authority because it would not benefit from the tax advantage.
- c. Amount - The best or most appropriate type of investment depends, to some degree, on the amount available for investment because certain investments require a large initial amount.
- d. Administrative Cost - In choosing an investment, a Housing Authority must consider the administrative work involved, particularly regarding investments of short duration. Substantial amounts can be invested for periods as short as one or two days. However, the administrative costs with small amounts may be greater than the return on the investment, thus would not be justified or cost effective. Administrative costs will be higher with a more frequent turnover of investments and must be considered together with the yield and term in determining the optimum investment strategy.

### 7.3 INVESTMENT OF FUNDS HELD BY HOUSING AUTHORITY FISCAL AGENTS

Funds held by the Fiscal Agent in any trust funds shall be invested in strict accordance with the Resolution establishing such funds. Where the Resolution contains no provision concerning the investment of funds, the funds shall be invested in securities approved for other Housing Authority investments provided such investment will mature or may be redeemed at the option of the purchaser at not less than the purchase price on or prior to the date such funds are required to be disbursed by the Fiscal Agent.

### 7.4 ADMINISTRATION

It is the responsibility of the Finance Director to administer the cash management and investment policy. The Finance Director may delegate various analysis, monitoring and forecasting functions to departmental staff. At a minimum, departmental staff will report and document current cash position to the Finance Director bi-monthly.

Finance Director will review and approve any investment with a maturity longer than 30 days. This does not apply to pooled investments, whereby some portion will be invested longer than 30 days, but whose main function is to provide liquidity and flexibility.

#### *7.4.1 Internal Controls*

The Housing Authority's intent is to maintain a system of internal control procedures which will adequately safeguard our cash and investments from loss or misuse. These procedures consider the inherent cost/benefit relationship in conjunction with current staffing levels. These procedures are subject to annual review by our auditors and changes will be made if weaknesses are deemed to exist and when they are appropriate.

#### *7.4.2 Contracting Agent*

The Housing Authority reserves the right to manage this program or enter into a contract with an approved governmental unit such as a state agency, or may use another PHA, or a financial institution, to administer the cash management program, if it would be cost-effective, or if management considered this necessary.





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[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]