

**Whitley County Board of Education**  
**300 Main Street**  
**Williamsburg, KY 40769**  
**(606) 549-7000**

**- - - Invitation to Quote - - -**

Reference: Bank of Depository

Date advertised: March 13, 2024

Closing time of quotes: April 10, 2024, 2:00 p.m.

**General Conditions and Specifications**

1. **CONTACTS** – Information pertaining to any item or condition in this invitation may be obtained by communicating with John Siler, Superintendent, or Alicia Logan, Finance Officer/Treasurer, at the address or telephone shown above.
2. **PRICE QUOTE** – This request is being considered as a “price quote” rather than a bid since it is for professional services. Please consider all statements as such.
3. **DURATION OF AGREEMENT** – The intent of this invitation is to receive quotes from any local financial institution (“bank”) to serve as a depository for the Whitley County Board of Education (“Board”) for the fiscal year beginning July 1, 2024 and ending June 30, 2025. The Board will officially appoint one (1) primary depository. A secondary depository may be appointed by the Board as recommended by the Superintendent as needed for investments or construction accounts and/or for use for school activity funds for the purpose of convenience. The Whitley County Board of Education, with the approval of the primary depository, may extend this quote contract for additional one-year periods. If extended, the bank contract will be renewed by June 30<sup>th</sup> of each year if in agreement.
4. **ACCEPTABLE BANKS** – The Board hereby limits the banks that are acceptable for submitting a quote to commercial banks and/or savings and loan associations that have a physical branch office in Williamsburg, Whitley County, Kentucky.
5. **QUOTE FORM** – Any bank wishing to quote is required to submit the attached “Official Quote Form”. No quote will be considered unless the Official Quote Form has been completed, signed, and submitted.
6. **QUOTE SUBMITTAL** – This invitation is supplied in duplicate. One copy of the completed quote is to be **submitted in a sealed envelope clearly marked “Bank of Depository RFP”**. The quote must be received no later than the closing time indicated above. None will be accepted thereafter. The quote may be hand delivered on the date of the opening, provided it is presented no later than the closing time indicated above. The Whitley County Board of Education cannot assume the responsibility for any delay as a result of failure of the mail to deliver the quotes on time. Quotes sent by facsimile transmissions will not be accepted.
7. **SIGNATURE** – An officer or member of the quoting bank, who is legally authorized to do so, must sign the Official Quote Form. All quotes must be in ink or typewritten. All quotes shall be effective for **ninety (90) days** from date of opening and no quote may be withdrawn prior to that time.

8. **QUOTE OPENING** – Quotes will be accepted until 2:00 p.m. Wednesday, April 10, 2024, Eastern Standard Time, and opened at 2:00 p.m. Wednesday, April 10, 2024 in the Central Office of the Whitley County Board of Education. A representative of the bank may be present at the opening of quotes on the date, time, and location stated above, although this is not required. The Board reserves the right to negotiate any or all terms of submitted quotes from banks.
9. **QUOTE EVALUATION** – Quotes will be evaluated on multiple factors. Rate of return is only one factor. Other considerations include: branch hours and locations, an existing or prior relationship, references, optional services, etc.
10. **FINAL APPROVAL** – The Board shall make the final decision regarding the awarding of a Contract or Quote. Final approval of the successful quote will be given at the Board meeting to be held on May 16, 2024, at 5:00 p.m. at the Board of Education, Williamsburg, Kentucky. The results shall be recorded in the official minutes of the Board.
11. **QUOTE ISSUES** – The Board reserves the right to waive defects and informalities in quotes, to reject any or all quotes, or to accept any quote as may be deemed to be in its best interest. The depository shall not substitute any other method of calculating the interest to be paid the Board of Education on any accounts.
12. **SCHOOL ACCOUNTS INCLUDED** – All operating accounts of the Board will be deposited in the primary depository. This includes school activity fund accounts. (See attachment B)
13. **CONSTRUCTION/BOND ACCOUNTS** – This depository agreement shall also apply to construction accounts established as a result of selling school revenue bonds, and the primary depository shall pledge securities of the United States Government having a fair market value at least equal to 103% of the balance of these accounts. The securities pledged for construction accounts are in addition to the collateral requirements shown on the Official Quote Form.
14. **INVESTMENTS** – The Board reserves the right to negotiate the terms of investments and is not limited to investing with the primary depository. Each local (Whitley County) depository will be given prior day's notice of the amount(s) of the investment(s) and the desired maturity date(s). Investment quotes from these parties shall be submitted in writing in a sealed envelope clearly marked as "**Investment Quote**" by 2:00 p.m. (local time) on the day the quote is requested.
15. **INVESTMENT OPTIONS** – The Board reserves the right to use any or all investment vehicles offered by the bank that the Board, in its discretion, deems to be the most advantageous to the Board. The primary depository agrees to negotiate with the Board to permit the Board to take advantage of any new type of service or new investment procedure that may become available and permissible for use by a board of education during the term of this agreement.
16. **BORROWING** – The primary depository will be expected to extend short-term credit as needed on legally drawn notes of the Board for amounts not in excess of the Board's legal borrowing limit at a rate of interest determined by market conditions. The Board reserves the right to negotiate the terms for such borrowings and is not limited to borrowing funds from the primary depository. The Board did not borrow short-term funds during the last fiscal year and does not expect, nor have plans, to borrow short-term funds in the foreseeable future.
17. **STATEMENTS** – Monthly statements of all accounts, along with an electronic copy of legible front and back images of cancelled checks (sorted numerically), and copies of deposit tickets, are to be furnished to the Board by the primary depository within three (3) banking days following the close of each month. Monthly statements must show the number of deposits/withdrawals and the monthly/year-to-date interest earned. Accuracy of the information contained on the bank statement is extremely critical and the primary depository agrees to ensure the bank statement is accurate. **Beginning dates for accounts shall be the 1<sup>st</sup> calendar day of the month and the ending dates shall be the last calendar day of the month.**
18. **CHECKS/SUPPLIES**—The primary depository is responsible for providing, at no charge to the Board or schools, all reasonable items needed to transact banking business. These items include, but are not limited to, checks, direct deposit advices, deposit tickets, safe deposit box (for the Board only), locking bank bags, canvas bags for collection of money from events, etc. ***Checks/Direct Deposit Advices***: The Board shall have exclusive control over the vendor selected to provide checks and direct deposit advices, provided the requirements of the Federal Reserve System are met. The Board may utilize any and all security features available for its check stock. The primary depository agrees to reimburse the Board for the cost of having its checks and direct deposit advices printed. The Board will submit a documented reimbursement request to the bank for the cost of checks and advices as they are purchased by the Board. The Board's method of issuing checks to employees and to vendors is subject to change. The Board currently prints its checks and direct deposit advices on blank check stock using a laser printer and pressure-sealer. With this

method, the information on the MICR line is added as the check generates on our laser printer. The primary depository will be responsible for reimbursing the Board for magnetic ink toner cartridges.

19. **TYPE OF ACCOUNTS** - The Board of Education requires that all accounts of the District, including any school activity fund accounts, be designated as interest bearing checking accounts.
20. **TRANSMITTALS** – The primary depository must be able to accept a MUNIS financial system generated file for data transmission of direct deposit credits and shall be able to transmit to the Federal Reserve, credit unions, other banking institutions, etc. utilizing all applicable required formatting.
21. **DIRECT DEPOSIT** – The Whitley County Board of Education pays its employees by direct deposit. The primary depository shall provide the service free of charge to the District. The bank must provide same day electronic or fax confirmation that the direct deposit batch has been processed.
22. **DIRECT DEPOSIT REJECTIONS/REVERSALS** – The bank must provide same day electronic or fax notification when a direct deposit has been rejected or reversed.
23. **ONLINE BANKING** – Online banking capability will be available to the Whitley County Board of Education to allow district authorized personnel secured online access to inquire and print account transactions, statements, generate stop payments, submit payroll direct deposits, submit same day wire transfers, etc. of all accounts owned by the Whitley County Board of Education, and include the ability to download statement and account information into a Microsoft Excel worksheet. Online bank statements shall include the statement and check images, deposit images, corrections/adjustment images, etc. and are to be made available in a PDF format that can be viewed, downloaded, and/or printed by authorized personnel. The bank shall provide a toll-free number or local phone number and an email address for board use for support issues. The Board should be able to retrieve all activity of its accounts daily.
24. **AUDIT ASSISTANCE** – The primary depository shall provide assistance and cooperation with the Board’s audit firm.
25. **SERVICE CHARGES** – This depository agreement shall not include any charges for servicing any and all accounts of the Board or charges for any other banking service such as stop payments, cashier’s checks, overdraft charges, interim bank statements, checks returned for insufficient funds, electronic transfers, wire transfers, account inquiries, courier service, etc.
26. **FEDERAL TAX DEPOSITORY** – The primary depository selected must agree to serve as Federal Tax Depository and State Tax Depository for the Whitley County Board of Education at no charge to the Board.
27. **CONTACT PERSON** – The primary depository shall appoint one employee of the bank to be responsible to the Board’s Treasurer for compliance with the terms of the adopted quote and to make sure all transactions of the Board are handled promptly and efficiently.
28. **TRANSITION** – In the event the bank is not designated by the Board as its primary depository in the future, the bank shall continue to pay interest at the rate established by this quote document on any funds remaining in any accounts at that financial institution until all outstanding checks have cleared the bank. The primary depository agrees to honor all other terms of this agreement during the transition period. The Board will make every effort to make a quick transition to the successor bank. However, there shall be no time limit imposed on such a transition and the transition may take place on different dates for different accounts. In addition, the primary depository agrees to assist the Board in its transition to a new depository, should the need arise. The primary depository agrees to furnish the Board with such information concerning the activity of all accounts as may be needed to take future quotes for the Board’s banking needs.
29. **TAXES NOT APPLICABLE** – Federal excise taxes or Kentucky sales and use taxes are not applicable to any purchase made for use of the Board. Quotes should not include any such taxes. Purchase exemption certificates will be furnished as required.
30. **EMPLOYEE BANKING SERVICES** – If requested by an employee, an account will be offered for those individuals on direct deposit if they meet the minimum requirements of the Depository. The type of account may be determined by the bank but should include amenities such as maintenance free checking accounts, reduced fee or free traveler’s checks, cashier checks, money orders, enhanced investment rates, discounted lending rates, free standard checks, and ATM (Automated Teller Machine) cards or debit cards.

31. **VOLUME OF BANKING TRANSACTIONS** – See Attachment A for general volume information for receipts, expenditures and checks written. Declarations within this document regarding the volume of banking transactions are the Board’s best estimate, based on available information, and are intended to provide information to aid banks in evaluation of the Board’s accounts.
32. **NON-DISCRIMINATION** – The Whitley County Board of Education does not discriminate on the basis of race, color, national origin, age, religion, creed, marital status, sex, or handicap in employment, educational programs, or activities as set forth in Title IX, Title VI, and Section 504.
33. **CONFLICTS OF INTEREST** – KRS 45A.455 prohibits conflicts of interest, gratuities or kickbacks to employees of the Board of Education in connection with contracts for supplies or services whether such gratuities or kickbacks are direct or indirect. KRS 45A.990 provides severe penalties for violations of the laws relating to gratuities or kickbacks to employees which are designed to secure a public contract for supplies or services.
34. **EMERGENCY PROCEDURES** – The primary depository must certify that emergency procedures are in place to provide uninterrupted service should the need arise.
35. **ONLINE DATA SECURITY** – The primary depository shall provide online data security to safeguard our information by using multi-factor authentication for online and mobile access, use secured web pages, house banking information and transactions on firewall protected servers and other industry suggested security steps to protect our online data.

**Whitley County Board of Education  
300 Main Street  
Williamsburg, KY 40769**

**OFFICIAL QUOTE FORM  
FOR  
DEPOSITORY FOR BOARD OF EDUCATION ACCOUNTS**

*THE WHITLEY COUNTY BOARD OF EDUCATION RESERVES THE RIGHT TO NEGOTIATE  
ANY OR ALL OF THE TERMS OF SUBMITTED QUOTES FROM BANKS.*

**I. Interest Rates**

**A. Demand Accounts (Interest Bearing Accounts)**

In accordance with the terms of the General Conditions and Specifications, all accounts of the Whitley County Board of Education shall be serviced without charge. The bank agrees that no minimum balance shall be required at any time and the bank shall factor any and all expenses of servicing the Board's accounts into the interest rate shown below. Quotes shall not be given consideration if a minimum balance is required. Interest shall be paid on all deposits maintained by the Whitley County Board of Education (including school activity fund accounts at the depository), starting on the date of deposit. **Interest shall be calculated based on the Federal Funds rate.** The rate is subject to change on the first business day of each month. The rate + or – the basis points stated below will be paid on the daily balance, **and the bank guarantees the rate will not fall below \_\_\_\_\_% at any time.** Interest shall compound daily and be paid monthly on the last day of each month.

Plus (+) \_\_\_\_\_ basis points

Minus (-) \_\_\_\_\_ basis points

*(Note: Complete only one line)*

**B. Loans**

In the event the Whitley County Board of Education needs to borrow funds, the bank agrees to extend credit as needed on legally drawn notes for amounts up to the board's legal borrowing limit at a rate not to exceed the greater of \_\_\_\_\_ percent per annum (maximum of 6%) or \_\_\_\_\_ percent (maximum of 70%) of the federal reserve discount rate on ninety (90) day commercial paper in effect in the federal reserve district in which the loan is made in accordance with KRS 160.540. The bank

acknowledges that the Board’s awarding of this depository agreement to the bank shall not preclude the Board from seeking other financing arrangements for loans that may be needed during the term of this depository agreement.

C. Certificates of Deposit

\$50,000 or less	_____	%	1 year term
\$100,000 - \$250,000	_____	%	1 year term
\$1,000,000 or more	_____	%	1 year term
\$50,000 or less	_____	%	2 year term
\$100,000 - \$250,000	_____	%	2 year term
\$1,000,000 or more	_____	%	2 year term

II. Collateral

A. Execution of Pledge of Collateral Agreement

A Pledge of Collateral Agreement for Public School Funds will be executed by the primary depository and collateral deposited in escrow to secure said pledge as hereafter set out. The Pledge of Collateral form (see Attachment C) includes a pledge of collateral in the amount of the required penal sum of 103% of current daily balances. It will be effective July 1, 2024, for the full term of this agreement, subject to approval of the Kentucky Department of Education (“KDE”). The amount of the Pledge may fluctuate from year to year. In the event the Board of Education’s funds on deposit, including certificates of deposit, exceed the Pledge of Collateral amount, the primary depository shall pledge additional collateral for any such excess funds on deposit with a fair market value equal to the excess amount. The penal sum is to be calculated each year by July 1.

B. Types of Collateral

All collateral pledged by the primary depository selected shall have a fair market value equal to at least 103% of current daily balances (including all investment instruments) of the Board of Education and shall consist of U.S. Government Bonds, Kentucky School Revenue Bonds, and/or Federal Government Agency Obligations pursuant to KRS 160.570 and 702 KAR 3.090. Repurchase Agreements for either class of collateral are unacceptable security. The collateral represents the total amount required to cover all funds, including investments and construction funds. At no time shall the collateral be reduced or substituted without prior approval of the Board of Education. Such

approval shall not be granted without the execution of a new bond, which shall have prior approval by KDE.

C. Safekeeping Receipts

The primary depository shall execute a safekeeping receipt for collateral, which shall include an endorsement as follows (the form of the endorsement on the safekeeping receipt may be amended so as to modify the endorsement in any manner required by the rules and regulations of the Federal Reserve, provided that the collateral pledged for safekeeping in connection with the bond of depository is deposited in a federal reserve bank.):

*“The securities described herein have been pledged as collateral to funds on deposit in \_\_\_\_\_ (city), \_\_\_\_\_ (county), Kentucky to the credit of the Whitley County Board of Education of Williamsburg, Kentucky under terms of a depository agreement. **These securities may not be withdrawn or substituted except with the written consent of the Whitley County Board of Education.** The original of this receipt has been delivered to the Whitley County Board of Education of Williamsburg, Kentucky.”*

III. Length of Agreement

The quotations and undertakings offered herein will be valid from July 1, 2024 to June 30, 2025 and, at the option of the Board of Education, and with the primary depository’s consent, may be extended for additional one (1) year periods as stipulated in General Conditions.

IV. Locations

Following is a listing of the financial institution’s Whitley County branch office locations:

<u>Branch Office</u>	<u>Location</u>
_____	_____
_____	_____
_____	_____
_____	_____

**V. Designated Employee**

\_\_\_\_\_ shall be the bank's employee who will be responsible for compliance with the terms of this depository agreement.

**VI. Other Services** *(use this space to list any additional services provided to the Board if awarded)*

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**VII. References** *(please list Kentucky school district names and contacts served in the past 3 years)*

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**Assurances of Financial Institution**

The bank has read and understands the General Conditions and Specifications and the Official Quote Form for the Whitley County Board of Education accounts and agrees to comply with all said stipulations should the bank be selected as the Board's depository.

\_\_\_\_\_ is a member of the Federal Deposit Insurance Corporation  
(Name of Bank)

and, as such, we propose to accept and hold in SECURED CUSTODY funds belonging to the Whitley County Board of Education, and to pay out any funds on order of the Board as provided by law. We hereby offer our Quote to the Whitley County Board of Education under terms and conditions as specified above.

**Bank Name** \_\_\_\_\_

**Date** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Name** \_\_\_\_\_ **(print)**

**Title** \_\_\_\_\_

**Address** \_\_\_\_\_

\_\_\_\_\_

**Telephone** \_\_\_\_\_

**Email** \_\_\_\_\_

**Attachment A**

**MAJOR RECEIPTS (annual estimates)**

12 SEEK payments wired from the Kentucky State Treasurer (one per month): approx. \$ 25,000,000

2 SEEK Capital Outlay payments wired from Ky. State Treasurer – July and April or May:  
approximately \$375,000 per year

2 SEEK Building Fund payments wired from Ky. State Treasurer – July and April or May:  
approximately \$1,300,000 per year

Property tax revenue from the Sheriff (largest months: November/December) approx. \$2,600,000

Utility Taxes total approximately \$1,300,000 per year.

School Food Service funds total approximately \$4,000,000 per year.

Federally supported program monies are received on reimbursement basis after the monthly or quarterly reports are submitted to the KY Department of Education or appropriate authority.

**MAJOR EXPENDITURES**

Accounts Payables — average \$1,265,000 per month

Monthly Payroll during the school year – each average \$1,800,000 per month

**INVESTMENTS**

When the interest rate indicates a higher return than anticipated on deposits, quotes are solicited from local banks. Amount(s) and investment period(s) are provided to the local banks, requesting a written quote be submitted by 10 a.m. the following day. The rate quotes received will be compared to the current deposit rate. Funds will remain in the deposit account if the highest quoted rate is equal to or less than the anticipated rate on the deposit account.

**CHECKS (yearly averages)**

Payroll:

Checks	550
Direct Deposit Advices	15,000

Accounts Payable:

Checks	3,300
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**Attachment B**

**DISTRICT SCHOOLS**

Boston Elementary  
3291 Highway 1804  
Williamsburg, KY 40769

Whitley County Central Primary  
520 Boulevard of Champions  
Williamsburg, KY 40769

Whitley County Central Intermediate  
2940 N Highway 25W  
Williamsburg, KY 40769

Whitley County East Elementary  
13781 Highway 92 East  
Williamsburg, KY 40769

Whitley County North Elementary  
6670 Highway 26  
Rockholds, KY 40759

Oak Grove Elementary  
4505 Cumberland Falls Highway  
Corbin, KY 40701

Pleasant View Elementary  
5554 Highway 25W South  
Williamsburg, KY 40769

Whitley County Middle  
351 Boulevard of Champions  
Williamsburg, KY 40769

Whitley County High  
350 Boulevard of Champions  
Williamsburg, KY 40769

Note: Please see item 12 of the General Conditions and Specifications

**Attachment C**

COMMONWEALTH OF KENTUCKY  
Department of Education  
Office of District Support Services

**Pledge of Collateral Agreement for Public School Funds**

The undersigned, \_\_\_\_\_ Bank of \_\_\_\_\_, Kentucky, hereinafter referred to as the Depository, hereby acknowledges itself bound to the Commonwealth of Kentucky, and the \_\_\_\_\_ Board of Education, as depository of the Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on proper warrants all funds that may come into its hands as Depository of the Board of Education aforesaid for a period not to exceed two (2) years, beginning July 1, 20\_\_\_\_ .

As collateral for this undertaking, the undersigned hereby pledges obligations guaranteed by the U. S. Government, Kentucky School Revenue, and/or Federal Government Agency for surety bonds or other securitized collateral (type of collateral \*) in the principal sum of \_\_\_\_\_\* deposited in escrow with the \_\_\_\_\_ Bank of \_\_\_\_\_, Kentucky, hereinafter referred to as the Escrow Agent, evidenced by the safekeeping receipt filed in the offices of the local board of education, provided, however, that at no time shall the amount of collateral be reduced without the execution of a new bond which shall have prior approval by the Commissioner of Education.

The undersigned, the Depository, hereby reserves the right unto itself, (1) to detach and collect for its own use and benefit all coupons of said bonds as they mature; (2) to substitute for any of said bonds, other United States Government bonds and/or Kentucky School Revenue Bonds of the same face or par value; (3) to terminate all liability under this bond and escrow deposit by giving a thirty (30) day notice, in writing, of its intention to do so to the chairperson of the \_\_\_\_\_ Board of Education, by registered mail, addressed to such chairperson at the Local Board of Education, and to the chairperson of the Kentucky Board of Education, by registered mail, addressed to such chairperson at Frankfort, Kentucky. Within the thirty days, the Depository shall make statements with the board, pay over all funds in its hand to the board, and exhibit to the Escrow Agent a copy of the settlement, duly receipted by the secretary and chairperson of the board. The Board of Education shall cancel this bond only by giving a thirty (30) day notice in writing, of its intention to do so, to the Depository, by registered mail, and to the chairperson of the Kentucky Board of Education by registered mail.

It is further conditioned that liability of this bond is not to be effectual until Federal Deposit Insurance Corporation (FDIC) protection is exhausted.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be subscribed and its corporate seal to be affixed hereof, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**Name of Bank** \_\_\_\_\_

**By (Bank Official)** \_\_\_\_\_ **Title** \_\_\_\_\_

We hereby certify to the Commissioner of Education that the bond appearing hereon is a true copy of the bond executed and delivered by the Depository of this Board of Education, and it was approved by the \_\_\_\_\_ Board of Education on \_\_\_\_\_, 20\_\_.

**Chairperson** \_\_\_\_\_ **Secretary** \_\_\_\_\_

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\*This collateral shall consist of investments that conform to KRS 41.240 and KRS 66.480.

**FORM TO BE RETAINED AT THE LOCAL SCHOOL BOARD OFFICE**