



Office of the Treasurer & Tax Collector

Orientation Meeting with Banks
December 17, 2020



CCSF Organizational Structure



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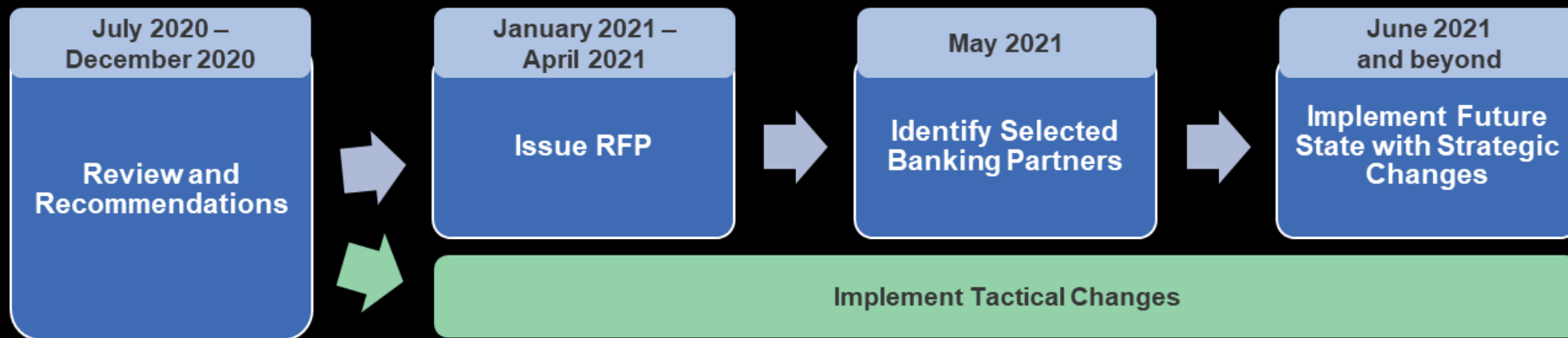
- The Office of the Treasurer and Tax Collector (TTX) is responsible for coordinating banking services for CCSF's 61 departments and related entities.
- Each department's banking needs were reviewed and are considered within the scope of the RFP

Department Category	Description
Main Accounts (8 departments)	Large critical departments that have their own disbursement accounts
Group A (31 departments)	These departments that have a separate DDA for depository activity and limited disbursement activity. These departments are responsible for reconciling their own bank accounts.
Group B (22 departments)	Departments that have small depository relationships that don't have their own finance team. These departments are fully supported by Treasury and only used the shared TTX account.
Group C (8 entities with 32 accounts)	These are affiliated entities (i.e. school district, transport authority, courts) that piggyback onto the CCSF contract, but have different tax identification numbers.



Banking Review

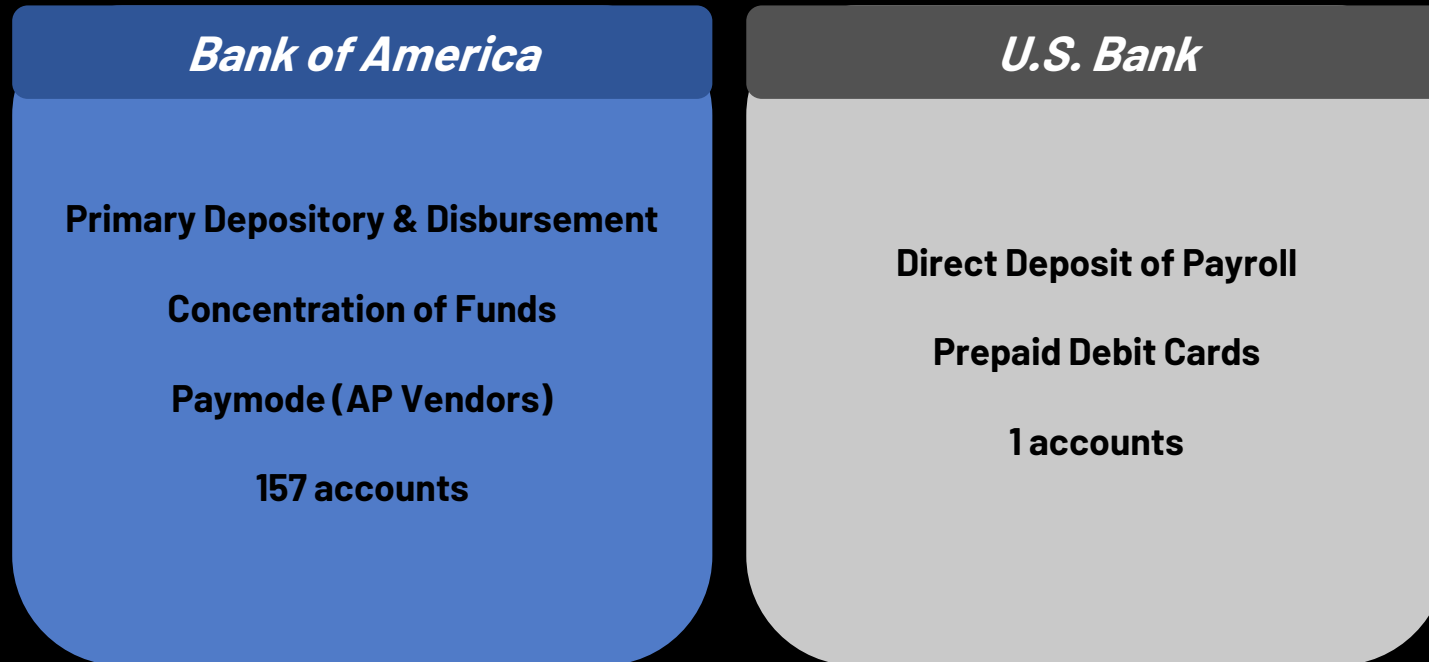
- CCSF is working with PFM to:
 1. Review existing procedures and services to identify potential efficiencies and enhancements
 2. Assist with the competitive procurement of banking services
- PFM completed a review of CCSF's current treasury operations and conducted discovery meetings with TTX staff and various departments between July and November 2020
- CCSF has begun implementing tactical changes and will use the RFP process to identify partners that will help achieve strategic changes





Current Banking Structure

- CCSF currently works with 2 primary banking partners





Existing ERP Integrations

- CCSF is using PeopleSoft Financials & Supply Chain Management (FSCM) Image 35 and PeopleTools 8.58.06. The most recent upgrade occurred in November 2020.
- Technology needs
 - Monthly check image service
 - Ability to leverage OnBase for archiving disbursement checks
 - Daily BAI transmission of previous day activity

	Accounts	Comments
BAI File Type 1	Majority of accounts	• Reports bank reference number
BAI File Type 2	1408C1 TTX Online Payments	• Reports number after BID (allows automatic reconciliation in FSP)
BAI File Type 3	8 banks accounts, mostly disbursement accounts that have 3 rd party integrations	• Reports customer reference number
BAI File Type 4	8 bank accounts	• Reports sweep transactions only and reconciled outside of FSP (i.e. payroll accounts)
BAI File Type 5	Permit Center & 1 DPH account	• For BAI codes 165 & 455, report BID if present (i.e. CityBase - Permit & Non-Permit Center. If no BID, report bank reference number. For all other BAI codes (i.e. 301 (vault deposit), 187 (RDSO) report Customer Reference number).

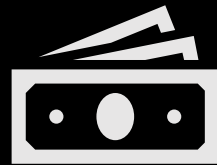
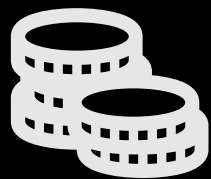


RFP Structure



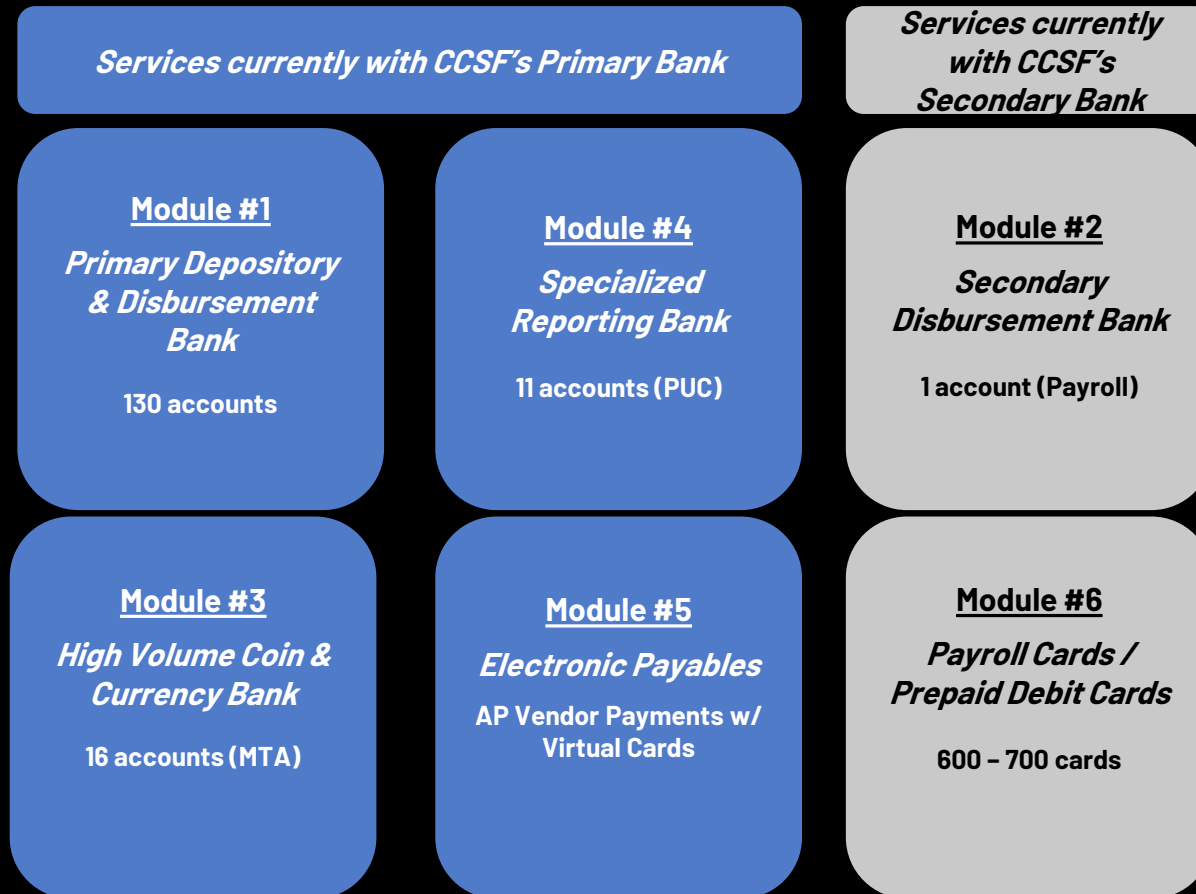
Division of Services

- The RFP will divide the required banking services into distinct “modules”
- Each module will be bid and evaluated independently to:
 - Identify best-of-breed providers for unique service areas
 - Encourage participation among local banks and specialty firms
 - Enable CCSF to select at least two banking partners to meet all service needs
- Proposing banks can be awarded more than one module





Overview of the RFP Structure





Module 1: Primary Depository & Disbursement Bank

- 130 bank accounts
- 305 branch/night deposits, 751 vault deposits, 602 RDC deposits, 88 ICL (per month)
- 79,000 deposited checks per month, 22,000 checks disbursed, 47,637 ACH credits, 6,474 Received ACH credits

Unique Service Needs

- *Deposit reconciliation (Group B accounts)*
- *Lockbox to process warrants issued by the State of California*
- *UPICs or other Incoming EFT Management Service*
- *Controlled disbursement*
- *Stale date review (other tools to assist with escheatment)*
- *Monthly transmission of disbursement check images*
- *Automated reconciliation tools*
- *Account validation & authentication services*



Module 2: Secondary Disbursement Bank

- 1 account
- Support the direct deposit needs of CCSF's 34,500 employees (84,000 ACH credits)
- Average payroll file is \$84 - \$93 million
- Payroll disbursed on Tuesday, file transmitted 3 days in advance (Thursday)

Unique Service Needs

- *Funding of this bank account from the primary bank relationship or outside assets (Automated Federal Reserve drawdown)*
- *Same day ACH capabilities*
- *Account validation & authentication services*



Module 3: High Volume Coin & Currency Bank

- 16 accounts supporting the Municipal Transportation Authority (MTA)
- MTA receives approximately \$2.3 million of coin/currency every month. Coin is sorted and deposited in approximately 65 to 80 full and partial bags per day.
- Includes depository activity beyond high volume coin and modest disbursement activity

Unique Service Needs

- *Processing of significant coin volume*
- *Timely posting and verification of deposits*
- *Support of 16 smart safes serviced by Brinks and Garda*



Module 4: Specialized Reporting Bank

- 11 accounts supporting the Public Utilities Commission
- PUC receives specialized reporting related to the CleanPowerSF Program
 - PG&E's bank transmits a daily NACHA ACH CTX with customer records.
 - CCSF's bank receives the CTX payment and passes through the 820 addenda in an EDI format for processing by CleanPower SF's third-party back office provider (currently Calpine Energy Solutions, LLC). The EDI file allows Calpine to record and reconcile individual customer account payments on behalf of the PUC.
 - 76 ACH transactions received with 363,000 customer payments
- E-Lockbox service for the collection of 9,200 payments per month
- Includes additional depository activity and modest disbursement activity

Unique Service Needs

- *Ability to transmit customer account and payment amount details to CCSF/Calpine*
- *Support an e-Lockbox*



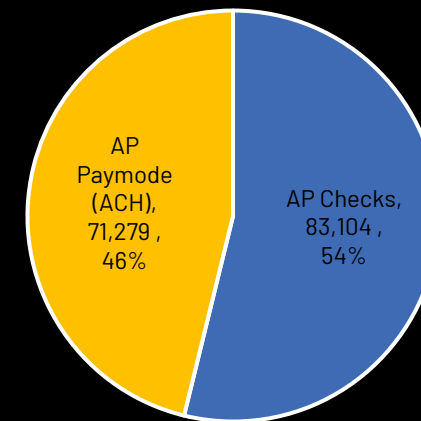
Module 5: Electronic Payables

- Objective: To reduce the number of paper checks by making more payments by virtual card or ACH
- CCSF would prefer not to store any AP vendor routing and account information on its ERP System
- CCSF does not currently have a virtual card program, but is willing to consider it
- Would be interested in digital disbursements (or tokenized payments) as a payment option

Unique Service Needs

- *Support the collection and storage of AP payment information*
- *Offer a virtual card solution*
- *Assistance with vendor outreach campaigns to increase EFT adoption*

**Total Number of Vendor Payments
July 2019 – June 2020**



AP Paymode represents 5,528 vendors
AP Checks represent 27,971 vendors



Module 6: Payroll Cards / Prepaid Debit Cards

Solution	Description
Pre-Paid Card Solution #1 – Payroll Cards	<ul style="list-style-type: none">• Since May 2015, CCSF has offered employees a payroll card solution.• Approximately 600 to 700 employees receive their compensation on the payroll card.• Employees have the ability to access the full amount of their pay at a bank branch.
Pre-Paid Card Solution #2 – Reloadable Cards to Non-Employees	<ul style="list-style-type: none">• Due to COVID-19, CCSF needed over 4,000 reloadable cards for emergency relief funds. These cards were loaded with values ranging from \$100 to \$599. In total, \$1.2 million was loaded onto these cards.• The City wants to maintain service in the event of unexpected future conditions.
Pre-Paid Card Solution #3 – Non-Reloadable Cards	<ul style="list-style-type: none">• CCSF issues approximately 550 non-reloadable cards. These cards are sent preloaded with values ranging from \$25 to \$100.



RFP Timeline

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Milestone	Estimated Date
Issuance of RFP	Week of January 19, 2021
Deadline to Submitted Written Questions (by email)	Week of February 8, 2021
Responses to Written Questions	Week of February 16, 2021
Proposals Due	Week of March 22, 2021
Finalist Presentations & Demonstrations	Week of May 17 or May 24, 2021
Existing Contract Expiration	August 2022



Future CCSF Banking Initiatives



Strategic Goals

- CCSF is seeking banking partners that will help drive innovation and improvements in addition to meeting existing needs
- Key long-term objectives include:
 1. Reducing the number of paper-based disbursements
 2. Reducing the number of current bank accounts
 3. Expanding reporting integrations and automated reconciliation
 4. Gaining better visibility and reconciliation for incoming EFT
 5. Improving cash forecasting by utilizing bank's services/technology
 6. Staying at the forefront of fraud protection in services and procedures
 7. Utilizing advanced technology/products to enhance efficiency in current processes
 8. Creating more bank support and engagement within all CCSF communities