

COMMERCIAL BANKING SERVICES

A Recommendation

1. **Division, Department:** Finance and Administration, Controller's Office and Treasury Management

2. **Introduction:** In an effort to minimize commercial banking costs while maximizing services, rebates and earnings credits, a Request for Proposals process was initiated seeking proposals for commercial treasury banking, purchasing cards, payables solutions, and merchant card services. Eighteen proposals were received. After careful review and analysis by a Review Committee, with representatives from the University's Accounting, Payroll, Student Business Services, Purchasing, Accounts Payable, and Treasury Departments, eight semi-finalists (Bank of America, Comerica, Fifth Third Bank, Huntington, International Bancard, JPMorgan Chase, PNC, and US Bank) were identified for interviews.

Based on the results of the interviews where service levels were vetted, three finalists (Bank of America, Fifth Third Bank and JP Morgan Chase) were chosen for further consideration of commercial treasury banking, purchasing cards, and payables solutions. Separately, three finalists (Fifth Third Bank, International Bancard, and US Bank) were chosen for further consideration of merchant card services.

A final round of vetting was conducted with the finalists to ensure their services would meet the University's needs and expectations, and costs, rebates and earnings credits were finalized. The service levels of all finalists were determined to be comparable and acceptable to the Review Committee. A summary analysis is attached of the projected net costs, rebates and earnings credits of the finalists (Attachment A). After a thorough vetting of all materials and interviews along with reference checks, the Review Committee recommends Fifth Third Bank to be Oakland University's provider of commercial treasury banking, purchasing cards, and payables solutions, and US Bank to be the provider of merchant card services.

3. **Previous Board Action:** On June 6, 2007, the Board of Trustees approved Comerica Bank as the University's commercial bank.

4. **Budget Implications:** Net proceeds from the commercial banking costs, rebates and earnings credits are projected to be \$184,600 annually.

5. **Educational Implications:** None.

6. **Personnel Implications:** None.

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7. **Recommendation:**

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to execute all agreements necessary to establish and maintain commercial treasury banking, purchasing cards and payables solutions with Fifth Third Bank; and, be it further

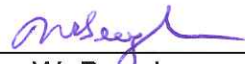
RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to execute all agreements necessary to establish and maintain merchant card services with US Bank; and, be it further

RESOLVED, that the agreements be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

8. **Attachments:**

A. Banking Services RFP Finalist Summary

Submitted to the President
on 8/7, 2014 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on August 7, 2014
to the Board for approval by



Betty J. Youngblood
Interim President

**Banking Services RFP Finalist Summary
August 12, 2014**

Commercial treasury banking, purchasing card, payables solutions:

<u>Financial Institution</u>	<u>Annual Net Proceeds</u>
1. Fifth Third Bank	\$187,000
2. Bank of America	\$175,000
3. JP Morgan Chase	\$142,000

Merchant card services:

<u>Financial Institution</u>	<u>Annual Net Cost (a)</u>
1. US Bank (b)	\$ 2,400
2. Fifth Third Bank	\$16,800
3. International Bancard	\$18,300

- (a) Net cost is exclusive of interchange costs which are passed on by all service providers at the same rate.
- (b) The significant cost differential for US Bank is due to their participation in the State of Michigan consortium through "MiDeal".