

**AMENDMENT NO. 1**  
**AGREEMENT FOR ELECTRONIC FUNDS TRANSFER FINANCIAL SERVICES**  
**STATE OF NORTH CAROLINA AND**  
**BANK OF AMERICA.**  
**(ITS-007062-1)**

This Amendment (“**Amendment**”) is made by and among the North Carolina State Controller and the North Carolina State Treasurer (hereinafter referred to as the “**STATE**”) and **BANK OF AMERICA**, (hereinafter referred to as “**VENDOR**”) (hereinafter collectively referred to as the “**Parties**” and in the singular “**Party**”). This Amendment shall be effective as of the later date of signature below. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Agreement.

**WITNESSETH:**

**WHEREAS**, the **STATE** and the **VENDOR** entered into an “Agreement for Electronic Funds Transfer Financial Services” (ITS-007062-1) dated June 24, 2013, with an Initial Term of five years and the option, at the State’s request, for two successive one year Renewal Terms (hereinafter referred to as the “**Agreement**”);

**WHEREAS**, the parties desire to amend the Agreement to: (i) add overdraft fees that may be charged at prime on the negative uncollected balance for each business day as indicated and administered in the North Carolina State Treasurer policy entitled “Agency Returns Accounts Reconciliation and Remuneration”; and (ii) make available the use of a Uniform Payment Identification Code (UPIC) to be available at the cost of \$45 a month per account; and (iii) make available the use of Electronic Data Interchange (EDI) to be available at the costs as outlined in Attachment D (EFT Cost Proforma – EFT - BAFO Attachment D) (herein “Attachment D”) attached to the Agreement.

**NOW THEREFORE, FOR AND IN CONSIDERATION** of the performance by each of the Parties of its promises and obligations herein set forth, the **STATE** and the **VENDOR**, do hereby mutually covenant and agree to modify the Agreement as follows:

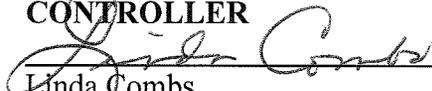
1. The parties hereby agree that overdraft fees may be charged to participants at prime on the negative uncollected balance for each business day as indicated and administered in the North Carolina State Treasurer policy entitled “Agency Returns Accounts Reconciliation and Remuneration”.
2. Attachment D shall be amended by adding the use of a Uniform Payment Identification Code (UPIC) to be available at the cost of \$45 a month per account.
3. Vendor’s Electronic Data Interchange (EDI) Service Addendum, a copy of which is attached hereto, shall be incorporated as Exhibit F to the Agreement, and Attachment D shall be amended by adding the use of Electronic Data Interchange (EDI) to be available at the costs as outlined on such Attachment D.

This Amendment modifies the Agreement only as expressly set forth herein. In all other respects the terms and conditions of the Agreement remain unmodified and in full force and effect.

The parties may execute this Amendment in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by electronic mail is as effective as executing and delivering the Agreement in the presence of the other party.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Amendment as of the dates written below.

**NORTH CAROLINA STATE  
CONTROLLER**

  
\_\_\_\_\_

Linda Combs  
State Controller

Date: 11/18/14

**NORTH CAROLINA STATE  
TREASURER**

  
\_\_\_\_\_

Janet Cowell  
State Treasurer

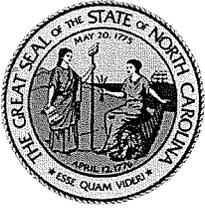
Date: 11/12/14

**BANK OF AMERICA**

  
\_\_\_\_\_

Lora Prusock  
Senior Vice President

Date: 10/27/14



10/27/14

## Agency EFT Return Accounts Reconciliation and Remuneration Policy

**Objective:** This policy is meant to supplement (and not conflict with) the Department of the State Treasurer's (DST) Return Item Policy found in the latest published version of the Banking Services Handbook (6/13).

DST shall open Returns Accounts with Bank of America (BofA) to receive certain electronic and paper items that have been rejected by the financial institution on which said items were drawn.

For paper returns, items will post to the designated account and are reported to the entity daily via CashPro, BofA's electronic banking system. BofA shall forward copies of rejected items on a daily basis to the individual designated for each respective agency or entity during account set-up. It is the agency's responsibility to contact BofA should the designated individual leave the agency or be re-assigned for any reason resulting in a change in the designated individual.

For electronic items, these items will post to the designated account and are reported to the entity daily via CashPro, BofA's electronic banking system. A variety of reports are provided to the entities for information and reporting.

The Agency shall utilize the State's Core Banking System (CB\$) to electronically fund these Return Accounts. Should an agency not have CB\$ access, they will be required to use BofA provided deposit slips to fund said Return Accounts. All returned items must be cleared within 3 days of receipt as per the State Treasurer's Return Item Policy.

BofA will generate a statement for each Returns Account monthly and the statement will show negative balances associated with uncleared returns. Statements are also available via CashPro. It is the agency's responsibility to reconcile each Returns Account. Upon receipt of the monthly Returns Account statement, the agency will have 3 business days to pay the month end balance.

BofA will make contact with the non-compliant agencies asking them to fully fund the returns account. BofA will provide a report to the DST and the Office of State Controller (OSC) showing those accounts with negative balances. BofA shall endeavor to deliver such report by the 15<sup>th</sup> of the following month, but in any case by the 30<sup>th</sup> of the following month.

OSC will then contact the agency to resolve any return issues by Day 30 of the following month. OSC will contact upper management when necessary to escalate a resolution.

Any balances not resolved 30 days after the statement period may incur overdraft interest charges. These charges will be calculated at current prime rate on the negative uncollected balance for each business day and billed using the Return Report noted above. Notification of the charge will be provided to the Agency.

**Example:** An item is returned in the month of August 2013. The item will be viewable immediately on CashPro and said return item notification will be sent at the same time. The standard requires that the return be cleared within three (3) days of receipt.

At the end of August, a statement of the month's return account activity will be generated. By DST Policy, the item should have been already handled. If not, the balance due within three (3) days will be reflected on the statement.

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**10/27/14**

This Statement will be available online by the 3<sup>rd</sup> business day of September (September 5, 2013). The agency will need to clear the return balance by September 9, 2013.

The Return Report provided to DST/OSC by September 15, 2013 will show the negative balance in the Month End Balance Column. OSC/DST and BofA will work with the agency the remainder of September to settle any outstanding balances.

DST/OSC will receive the current Return Report by October 15, 2013 and the unpaid balance will be displayed in the "Prior Month Unpaid Balance" column. On October 15, 2013 the overdraft interest charges begin accruing on the negative uncollected balance.

**EFT Cost Proforma - EFT – BAFO Attachment D**

	FY2011- 2012	Per Unit Cost	Annual Cost
<b>ACH Origination Services</b>			
ACH Monthly Maintenance per Account	1318	\$4.00	\$5,272.00
A CH Credits/Debits/Prenotes Originated Annually	13,905,540	\$0.0048	\$66,746.60
ACH Addenda Originated Annually	378,688	\$0.004	\$1,514.75
ACH Origination Files Transmitted Annually via CPS	300	\$2.75	\$825.00
ACH Origination Files Transmitted Annually non-CPS	1,880	\$2.75	\$29,700.00
Transmission Maintenance Fees for DCC Monthly	2,180	N/A	N/A
Transmission Maintenance Fees for Participant Monthly	8,986	N/A	N/A
Other ACH Related Services			
ACH Returns Annually	53,938	\$0.50	\$26,969.00
ACH Notifications of Change Annually	29,167	\$0.50	\$14,583.50
ACH Reversals Annually	774	\$7.00	\$5,418.00
ACH Received Entries File Transmission Annually	1,173	\$2.75	\$3,225.75
ACH Received Entries Per Credit Item Reported Annually	3,337,970	\$0.01	\$33,379.70
Other			
<b>Settlement Account Services</b>			
Bank Account Monthly Maintenance	2,720	\$8.00	\$21,760.00
ZBA Account Monthly Maintenance	1,129	\$5.00	\$5,645.00
Returns Handling Monthly Maintenance	89	\$0.00	\$0.00
ACH Debit Block/Filter Monthly Maintenance	918	\$4.00	\$3,672.00
Wire Transfers Incoming Annually	10,336	\$5.00	\$51,680.00
Book Transfers Annually	13,055	\$1.50	\$19,582.50
Deposits other than ACH Credits Received & wires Annually	34,829	\$0.25	\$8,707.25
Debit Postings Annually	34,452	\$0.03	\$1,033.56
Online Bank Account Reporting			
Monthly Online Reporting Maintenance		\$20.00	\$94,020.00
Monthly Online Reporting Maintenance (Current Day)	4,701	\$20.00	\$94,020.00
Monthly Online Reporting Maintenance (Previous Day)	0	\$20.00	\$0.00
Other Reports (See Attachment B)	0	N/C	\$0.00
Other Ongoing Fees (List)			

Total Annual Fees – Ongoing			\$369,204.61
Start-up Fees (List)			
UPIC			
UPIC per account		\$45.00	

<b>EDI Receipt</b>			
Monthly Maintenance		\$50.00	
Per Item Charge		\$0.05	
Per Addenda Charge		\$0.01	
<b>EDI Origination</b>			
One Time Set Up Charge		\$150.00	
Monthly Maintenance		\$150.00	
Per Item Charge		\$0.05	

# Bank of America Treasury Services Agreement Electronic Data Interchange (EDI) Service Addendum

This Service Addendum is an attachment to the  
**AMENDMENT NO. 1**

## **AGREEMENT FOR ELECTRONIC FUNDS TRANSFER FINANCIAL SERVICES STATE OF NORTH CAROLINA AND BANK OF AMERICA. (ITS-007062-1)**

which is a part of ITS-007062-1, dated June 24, 2013 (Agreement) between the State of North Carolina (Client) and Bank of America (Bank) with respect to the Services provided by Bank to the Client as more specifically defined below. Capitalized terms used and not defined in this Service Addendum have the meanings assigned in the General Provisions.

### **1. DEFINITIONS**

(a) "Other Company" means a company or other organization other than Client and its Subsidiaries.

(b) "Service" means each Information Reporting Service which makes certain account, transaction and related information available to help Client control and manage its accounts, and each Electronic Data Interchange (EDI) Service. Each EDI Service allows Client to disburse funds and/or deliver payment-related information to its receivers, electronically or by paper, by sending payment requests or payment-related information to Bank.

(c) "Subsidiary" means any N.C. State, Local Governmental or Local Educational agency or entity that is entitled by law to participate in and receive Service(s) under the Agreement.

(d) "User Documentation" means any written information Bank provides to Client, including information in electronic format, as amended from time to time, which contains detailed instructions regarding use of a Service as provided by a particular banking center or office. User Documentation may vary from one jurisdiction to another. Current User Documentation is available upon Client's request.

### **2. INFORMATION REPORTING SERVICE**

(a) An Information Reporting Service may include information generated from other Treasury Services provided to Client. A Service is comprised of one or more features selected by Client, which are described in the applicable User Documentation.

(b) Client shall notify its Bank representative of the features and accounts for which it requests Bank to provide a Service. In addition to making Client's account information at Bank available, a Service can make available information regarding accounts at Bank belonging to an Other Company. Certain Services can also make available information regarding accounts of Client or Subsidiaries maintained at another financial institution.

(c) Reserved

(d) If Client elects to have its accounts, or accounts of a Subsidiary, maintained at another financial institution reported to it with certain Services, Client agrees that it and the Subsidiary will authorize the other financial institution to make the reporting information available to Bank and to take all other actions necessary for Bank to provide the Service. Bank will not be responsible for the accuracy and timeliness of any information provided to Bank by any such financial institution.

### **3. THIRD PARTY INFORMATION**

If Client gains, through the use of the Service, access to any information relating to any person other than the Bank, Client or

any of Client's Subsidiaries that has authorized Client's receipt of such information, Client agrees to treat such third-party information as strictly confidential (subject to any applicable requirements of the N.C. Public Records Act, G.S. Chapter 132) and Client shall not disclose it except to any person inside the State or its Subsidiaries who has a need to know. Further, Client shall ensure that adequate measures have been taken to prevent the unauthorized use of any such third-party information. Client agrees that it will not use any such third-party information for its own purposes other than in a communication to Bank related to the Service.

### **4. EDI SERVICE**

Each EDI Service allows Client to disburse funds and/or deliver payment-related information to its receivers, electronically or by paper, by sending payment requests or payment-related information to Bank, as described in the applicable User Documentation. These Services also allow Client to access payments-related and remittance-related information in mutually acceptable formats received from its receivers and, where available, to match specified receivables and payables against payments.

### **5. CLIENTS RESPONSIBILITIES**

For the web-based remittance advice delivery Service, Client is responsible for enrollment of its receivers on the Service. During enrollment client shall review and verify the accuracy of all enrollment information provided by its receivers on the specified Website. Upon completion of enrollment, Client will authorize Bank to deliver the confidential passwords and identifiers to its enrolled receiver to access the specified Website. Client's receiver must keep such passwords and identifiers confidential. Bank will be fully protected in relying on the correct user identification codes and passwords.

### **6. SENDING PAYMENTS AND RELATED INFORMATION**

(a) When Client wishes to pay its receivers, Client will transmit a data file to Bank, containing instructions for its payments, in the format and by the cutoff times specified in the applicable User Documentation. When Bank receives a file from Client under an EDI Service, it will perform certain edits on the data, translate it into the appropriate format and/or medium and send the data to the payment system specified by the Client, except that Bank may use any means of transmission, funds transfer system, clearing house or intermediary bank as Bank may reasonably select. On the specified dates, Bank will issue Client's payments in the required formats.

(b) Client controls the content of any payment-related information sent to Bank and is solely responsible for the

accuracy of such information as sent. Client is solely responsible for secure storage of all data relating to such information necessary for such information to be made available to individual receivers upon request. Client should reference the User Documentation for the applicable payment service to determine specific requirements for the duration of time require for data storage.

(c) For the web-based remittance advice delivery Service, Bank will act as an intermediary to make data and information available to or from Client or Client's enrolled receivers reasonably promptly after receipt of such information. Bank will make the information available to Client's enrolled receivers on the specified Website within one Business Day of receipt. The information will be available on the specified Website for the time periods specified in the applicable User Documentation. Bank will not alter the content of any information that it receives from Client or its receivers. Bank is not responsible for the accuracy of any of the information that it receives.

(d) Payment requests originated via the EDI Services will be subject to the terms and conditions for the underlying payment services (Check Issuance and Document Printing, ACH and/or Wire Transfer and International Electronic Funds Transfer) as described in their respective Service Addenda.

## **7. CHANGES TO PROCESSING INSTRUCTIONS**

Client may request Bank at any time to change the processing instructions for a Service by contacting its Bank representative. Bank will not be obligated to implement any requested changes until Bank has had a reasonable opportunity to act upon them. In making such changes, Bank is entitled to rely on requests purporting to be from Client. For certain changes, Bank may require that Client's requests be in writing, in a form and manner acceptable to Bank, or be from an authorized person designated by Client. In addition, certain requests may be subject to Bank's approval.

## **8. BANK AGREEMENT**

Each of the customers named on the signature page of Amendment 1 to which this Service Addendum is attached will be deemed a "Client" and each of the banking institutions named on such page will be deemed a "Bank." The individual(s) signing on behalf of each Client has the title(s) specified for the applicable Client and intends by so signing the Amendment 1 that each Client be bound by the Service Addendum.