

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

MEMORANDUM

DATE: May 10, 2005
TO: Bruce Revell
FROM: Tonya Tillman
RE: 2005-2007 Depository Contract

The Finance office recommends that ECISD award the Depository Contract for 2005-2007 to Bank One, a division of JP Morgan Chase Bank, N.A.

The following were key factors taken into consideration:

- 1) As a result of the earnings credit rate offered, no banking fees would be incurred by ECISD if the district chose to stay with Bank One.
- 2) Fraud protection services offered by Bank One are more advanced than the other banks are currently offering.
- 3) Numerous high quality products are offered by Bank One that would be of benefit to both the district as well as district employees.
- 4) The Payroll Card Program offered by Bank One has the potential of future saving to the district.
- 5) The district has an established positive past history with Bank One.
- 6) There is a major loss of labor hours by the district Finance Office as well as campus bookkeepers associated with changing banks that must be considered, but is difficult to quantify. For example, the district would have to maintain bank accounts at both banks until the majority of outstanding checks cleared, which involves maintaining reconciliations for over 100 accounts for three to six months.

Although choosing one of the other bidders could result in additional income of approximately \$12,500 to \$16,000, I feel that the products offered by Bank One, possibility of future savings as well as past history justifies staying with Bank One.