

Contract Number 0920116

Wachovia Bank 6/08  
FD (bd) revised 11/08  
City of Philadelphia revised 4/09  
City Treasurer Department

## **PROVIDER AGREEMENT**

### **(General Consultant Services)**

**THIS PROVIDER AGREEMENT** is made as of the \_\_\_\_ day of \_\_\_\_\_ 2008, by and between the City of Philadelphia (the "City"), by and through the City Treasurer's Office (the "Department"), and Wachovia Bank ("Provider"), a national banking association, with its principal place of business at 123 South Broad Street, Philadelphia, Pennsylvania, 19109.

### **BACKGROUND**

The City and Provider desire that Provider render general consultant services to the City in accordance with the provisions of this Provider Agreement, the City of Philadelphia Professional Services Contract General Consultant Services General Provisions, as revised February, 2006 (the "General Provisions") and all of the other documents and exhibits which together constitute the Contract Documents as defined in the General Provisions. A copy of the General Provisions is attached hereto and incorporated herein by reference.

In consideration of the mutual obligations set forth herein, and intending to be legally bound, the City and Provider covenant and agree as follows:

## **ARTICLE I: GENERAL TERMS**

### **1.1 Incorporation of Background.**

The Background is incorporated by reference herein.

### **1.2 Definitions.**

Capitalized terms shall have the meanings set forth in the General Provisions.

## **ARTICLE II: TERM**

### **2.1. Initial Term.**

The term of this Contract shall commence on July 1, 2009 and shall terminate on June 30, 2010, unless terminated earlier in accordance with the terms of the Contract.

### **2.2 Additional Term(s).**

This Contract may be amended by the City, in its sole discretion, in accordance with Section 2.2 (Additional Terms) of the General Provisions, provided, however, that no amendment to add an Additional Term shall be valid unless approved by resolution of City Council. The terms and conditions applicable during the Initial Term shall be applicable during any Additional Term.

### **2.3 Transition Term.**

In the event that a Provider of payroll banking services other than Wachovia Bank is selected to provide payroll banking services at end of the Initial Term or any Additional Term, this Contract shall continue for an additional term (the "Transition Term") of no more than six (6) months in order for an orderly transfer of the services to occur.

## **ARTICLE III: SERVICES AND MATERIALS**

### **3.1 Services and Materials.**

Provider shall perform the Services and provide the Materials described in the Exhibit listed below, which is attached hereto and incorporated herein by reference:

**Exhibit PA- 1 : Scope of Services**

**ARTICLE IV: COMPENSATION**

4.1 **Amount.**

As compensation for the Services and Materials rendered and provided, the City covenants and agrees to pay to Provider in accordance with the following Exhibit, which is subject to all limitations on the allowability of cost items imposed by the City of Philadelphia Contract Cost Principles and Guidelines:

**Exhibit PA- 1 : Scope of Services**

4.2 **Manner of Payment.**

Payment made to Provider shall be derived from the interest earned on The funds held in the payroll accounts and shall be deducted by the Provider on a monthly basis from Lead Account #007596017711, or such other account as City and Provider shall agree.

**ARTICLE V: MISCELLANEOUS PROVISIONS**

5.1 **Notice.**

Any notice required or permitted to be given under the Contract shall be given in writing and shall be personally delivered by hand with receipt obtained, by a national overnight express carrier (such as Federal Express), by facsimile, or sent by registered or certified United States mail, return receipt requested, addressed as follows:

IF TO THE CITY:

Attn.: Mark DiSilvestro, Assistant City Treasurer

City Treasurer's Office  
Room 640, Municipal Services Building  
1401 JFK Blvd  
Philadelphia, PA 19102  
Fax No.: (215) 686-3815

IF TO PROVIDER:

Attn.: Carlo Borgia  
Senior Vice President  
Wachovia Bank  
123 South Broad Street  
Philadelphia, PA 19109  
Fax No.: (215) 670-4480

5.2 **Section 5.2 intentionally deleted.**

5.3 **Interpretation; Order of Precedence.**

In the event of a conflict or inconsistency between the terms of this Provider Agreement and any term, condition or provision contained in any Exhibit hereto, or any attachment to such Exhibit (including, without limitation, any proposal of Provider), the terms of this Provider Agreement shall control.

5.4 **Other Provisions.**

Other provisions, including, without limitation, MBEC participation commitments and any exceptions or modifications to the General Provisions of this Contract, are set forth in the following Exhibits attached hereto and hereby incorporated herein by reference:

**Exhibit PA-2: Amendment to Scope of Services**

**Exhibit PA- 3: Exceptions to the General Provisions**

5.5 **Acknowledgement of the General Provisions.**

Provider specifically acknowledges that Provider has read and understands the terms and conditions contained in the General Provisions and acknowledges that by executing this Provider Agreement, Provider shall be legally bound by all of the terms of this Contract, including, but not limited to, those set forth in the General Provisions.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound by all of the Contract Documents, have caused the Contract to be executed by their respective duly authorized officers as of the date in the heading of this Provider Agreement.

APPROVED AS TO FORM  
SHELLEY R. SMITH, CITY SOLICITOR

Per \_\_\_\_\_  
Francois Dutchie, Divisional Deputy City Solicitor

**THE CITY OF PHILADELPHIA**

**Through: Office of Director of Finance**

**By:** \_\_\_\_\_

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

**CORPORATE SEAL:**

**WACHOVIA BANK**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_  
President or Vice-President

**Attest:** \_\_\_\_\_

**Title:** \_\_\_\_\_  
(Ass't) Secretary or (Ass't) Treasurer

**EXHIBIT PA-1**

**SCOPE OF SERVICES**

**CITY OF PHILADELPHIA**

**City Treasurer**

**Request for Proposal for Payroll Banking Services**

**Respondents' Application**

**APPENDICES A-E**

NOTE: Complete Appendices A-E according to the submission requirements described in Sections 1.2 through 3.1.2.

## **APPENDIX A: CAPACITY TO PERFORM SERVICES REQUIRED**

### **REFERENCES**

#### Requested Reference Information:

Mr. Carl Green  
Executive Director  
Philadelphia Housing Authority  
12 South 23rd Street  
Philadelphia, PA 19103  
215-684-4175

Mrs. Donna M. Werner  
Deputy Treasurer  
County of Bucks  
55 East Court Street  
Doylestown, PA 18901  
(215) 348--6251

Mr. Nicholas Grieshaber  
Pennsylvania Turnpike Commission  
P.O. Box 67676  
Harrisburg, PA 17106-7676  
7171-939-9551 ext 2421

Mr. Kevin Cross  
Deputy Court Administrator  
First Judicial District of Pennsylvania  
City Hall, Room 395  
Philadelphia, PA 19107  
(215) 683-6988



**A. FINANCIAL INSTITUTION**

**B.**

The following questions assess each responder's physical presence in Philadelphia and that institution's financial and operational capacity to perform services required by this RFP. When completing the following section it is permissible to expand responses beyond the allotted space, however response to each question must not exceed 400 words.

**1. Bank Background**

**(a) Identify key measures of the bank's financial strength (e.g., capital ratios, market capitalization, and total assets).**

With total assets of \$706.4 billion, Wachovia Corporation (NYSE: WB) is the fourth-largest bank holding company in the United States providing financial services to more than 13 million households and businesses with 12.3 million online consumer product and service enrollments and 4.0 million online customers.

Wachovia offers a comprehensive suite of products and services to corporate and commercial customers, including financial expertise and consulting advice in treasury services management, corporate and investment banking, international banking, credit and debit card products, and trust services. We are the third largest provider of corporate treasury services in the United States.

Wachovia consistently maintains capital ratios that exceed regulatory guidelines. Our results as of 1<sup>st</sup> Quarter 2007 are as follows:

Wachovia Corporation Capital Ratio		
	Actual	Required Minimum
Tier 1	7.4%	4%
Total	11.5%	8%
Leverage	6.1%	3 – 5%

**(b) In addition to our capital ratios, do you also closely monitor performance in the following financial categories?**

The Bank's Financial Measures		
	2006	2005
Net income	\$ 7.8 billion	\$ 6.6 billion
Market Capitalization	\$ 108 billion	\$ 82.3 billion
Total Assets	\$ 707 billion	\$ 520 billion
Total Deposits	\$ 407 billion	\$ 325 billion

(c) The Bank's 2006 Annual Report can be found in the Appendix. Other financial information, such as the 10K, can be found at the Bank's Web site:

<http://wachovia.com/investor>

(d) Provide ratings for the bank and/or bank holding company from two of the following agencies Insert names of selected rating agencies in the spaces marked #1 and #2: Standard & Poor's, Moody's, Fitch, Thomson BankWatch, Sheshunoff or Laclede. Include ratings for senior debt, subordinated debt, and long-term deposits.

Debt Type	Rating Agencies	
	#1 (Moody's)	#2 (Standard & Poor's)
Senior Debt	Aa3	AA-
Subordinated Debt	A1	A+
Long Term Deposits	Aa2	AA-

These ratings present Wachovia as an extremely strong financial institution and place us in the top echelon of domestic banks.

(e) List names, titles, phone, e-mail addresses and brief biographies of bank contact personnel that will have ongoing responsibility for servicing this account. Include professional designations and treasury association involvement. Describe the role of each person listed in the relationship.

Name of Contact Personnel	Title	Phone	Fax	E-mail
<b>Donn Scott</b>	EVP	215.670.4470	215.670.4480	donn.scott@wachovia.com
<b>Carlo Borgia</b>	SVP	215.670.4472	215.670.4480	carlo.borgia@wachovia.com
<b>Margie James</b>	RS	215.670.4477	215.670.4480	margaret.m.james@wachovia.com
<b>Yvonne Hunter</b>	Alternate RS	215.670.4472	215.670.4480	yvonne.hunter@wachovia.com
<b>Frances Drinker</b>	Alternate RS	610.397.2530	610.397.2535	frances.dinker@wachovia.com
<b>Bob Eggstein</b>	SVP	856.833.1220	856.858.7578	bob.eggstein@wachovia.com
<b>MaryLou Higgins</b>	VP	856.833.1201	856.858.7578	marylou.higgins@wachovia.com
<b>Sandra Byrd-Smith</b>	TSA	610.397.2620	610-397-2627	sandra.byrdsmith@wachovia.com
<b>Julius Coursey</b>	Director	215.973.6882	267.321.8001	julius.coursey@wachovia.com
<b>Richard Starr</b>	AVP	610.225.2021	610.225.2001	richard.starr@wachovia.com
<b>Kevin Dow</b>	VP	215.670.4306	215.670.4313	kevin.dow@wachovia.com
<b>Denise Armbrister</b>	SVP	215.670.4310	215.670.4313	denise.m.armbrister@wachovia.com
<b>Tom Esser</b>	SVP	215.670.6579	215.670.4480	thomas.esser@wachovia.com
<b>Shelly Anthony</b>	VP	215.670.4302	215.670.4313	shelly.anthony@wachovia.com
<b>Ron Brasteon</b>	VP	215.670.3727	215.670.3736	rbrasten@evergreeninvestments.com

**Donn G. Scott** – Sales Director for the Government Banking Group in Pennsylvania and Delaware. Donn joined the Philadelphia National Bank in 1970, and during his 37 years in banking has held a number of senior positions on both the Wholesale and Retail sides of the Bank. He received his B.A. degree from Lincoln University in 1970 and his M.B.A. in Finance from Temple University in 1975.

**Carlo Borgia** – Senior Vice President – Government Banking Department. Carlo has twenty years of Sales and Managerial experience in Financial Services. He possesses a BA degree in Liberal Arts from LaSalle University and an M.S. in Administrative Management and a M.B.A. degree from Wilmington College and a certified Financial Planners License from the College of Financial Planning in Denver.

Carlo has been actively involved in the Political, Economic and Social Activities in various markets areas. Carlo is a Board member of the Central Bucks County Chamber of Commerce, a Government Affairs Committee member of the Delaware County and Mainline Chamber of Commerce, Board member of the Chester County Chamber of Business Industry, Board member of Montgomery Workforce Initiative, Board member of Catholic Healthcare – St. John Newman and the Treasurer of the Hero Scholarship Fund.

As a Senior Vice President, Wachovia Bank Government Banking Division; he is responsible for service and sales of banking products to clients and prospects in the Greater Philadelphia market. Primary responsibilities in the Counties of Bucks, Chester, Delaware, Montgomery and Philadelphia. Services Government entities and School Districts.

**MaryLou Higgins** - MaryLou Higgins is a Vice President in the Treasury Services Division. She has been with Wachovia for 16 years and currently heads the Bank's calling effort for Wachovia's Treasury Services Division, managing a portfolio of and government clients throughout the Maryland, Delaware and Pennsylvania marketplace.

Ms. Higgins has participated in numerous cash management seminars sponsored by GFOA (Government Finance Officers Association), WACUBO, The Common Fund, and the Association for Financial Professionals. MaryLou holds a Bachelor of Sciences degree from St. Joseph's University and is a Certified Cash Manager.

**Sandra Byrd-Smith** – Sandra Byrd-Smith is a Treasury Services Officer in the Treasury Services Division. She has 18 years banking experience with 8 years in Treasury Services Sales, she has specialized in handling government, not for profit including health care and higher education, corporate, commercial and small business portfolios.

Ms. Byrd-Smith earned her Bachelor of Science degree in Business Management from the University of Pennsylvania, Wharton School of Business and her Master of Science degree in Organizational Dynamics from the University of Pennsylvania, School of Arts and Sciences.

**Margaret M. James** - "Margie" James serves as Senior Relationship Specialist for The City of Philadelphia and Municipal Government clients in Philadelphia. She serves as your contact for questions, problem solving and day to day service/operational issues.

Margie has been employed in the Banking industry since 1989, 14 of which with Government Banking. She has an associated degree from Central Virginia Community College, computer science.

**Julius Coursey – Director** Mr. Coursey has over ten years of municipal finance experience and is currently a Director with the General Infrastructure Team in Philadelphia. Prior to joining Wachovia Bank, Mr. Coursey provided Financial and Swap Advisory services to clients including higher education institutions, municipalities, school districts, health care systems, and human service providers. He has participated as an advisor on transactions for the City of Philadelphia, The Philadelphia Water Department, The Philadelphia School District, the Pennsylvania Convention Center Authority and the City of Birmingham, Alabama. He also has prior experience as an institutional investor gained while working as a Fixed Income Trader and Analyst for the tax-exempt mutual funds of the Vanguard Group in Malvern, Pennsylvania. He earned a B.A. degree in Communications and Linguistics from the University of North Carolina and is a Chartered Financial Analyst.

**Kevin Dow – Community Affairs Manager** for the Pennsylvania and Delaware region of Wachovia. He is responsible for directing bank's corporate philanthropic activities encompassing over \$10 million in annual contributions to hundreds of non-profit organizations. He works with leaders of this broad base of organizations throughout the region to make certain their missions are achieved and bank's role as a community partner is fulfilled.

Kevin was educated at Morehouse College in Atlanta, Georgia where in 1991 he earned a Bachelor of Arts degree with a concentration in Finance. In May, 2002 he obtained a Masters of Business Administration from St. Joseph's University with a concentration in Management..

**Shelly Anthony, Wachovia Vice President, Philadelphia Community Development Officer.** Shelly Anthony is the Philadelphia Community Development Officer for Wachovia Corporation. Shelly has been with Wachovia and its predecessor banks for over fourteen years. Shelly started her banking career as a Professional Banker Trainee in the Commercial Banking Training Program. During this program, Shelly spent a year in the Internal Review Area evaluating and reviewing a diverse mix of credits for proper risk assessment throughout the New Jersey, Connecticut, Maryland and Pennsylvania region. After completing the program, Shelly worked as an Underwriting Associate for the former First Fidelity Urban Investment Corporation before moving to the Commercial Credit area and working as an Underwriter/Portfolio Manager. In 2002, She found the opportunity to return to her first love and became the Community Development Officer for Philadelphia County. Shelly is responsible for managing Wachovia's Community Reinvestment Compliance in Philadelphia County. Shelly has a passion for Financial Literacy and spends a significant amount of her time conducting and organizing Financial Literacy

seminars for various financial topics including money management, preparing for homeownership, small business development and resolving credit issues. Shelly serves on the Board of Directors for Girl's, Inc. (formerly Big Sisters of Philadelphia) and Chairs the Development Committee of the Board of Director's of Wheels of Wellness Medical Transportation. Shelly holds a BS in Mathematics from Purdue University.

**Denise McGregor Armbrister** - Wachovia Senior Vice President and Executive Director of the Wachovia Regional Foundation. Denise came to this position with extensive banking and nonprofit experience. Since 1984 Denise has worked at Wachovia in commercial banking and has specialized in healthcare, education and government banking. Her most recent position at Wachovia before joining the Foundation was Vice President and Manager of Government Underwriting and Portfolio Management for the Northeast Region. Before coming to Wachovia, she served as Chief of Staff for the President of the University of Pennsylvania. She began her career in commercial banking at Chemical Bank (Chase) in New York.

Denise is a board member of Harcum College, the Achievement Foundation, Inc. and Delaware Valley Grantmakers Association. She is also a member of the Board of Trustees of the Philadelphia Award. She holds a BA in mathematics and psychology from Wellesley College and a MBA in finance and marketing from the University of Chicago, Graduate School of Business.

**Thomas Esser** – Senior Vice President and Risk Manager responsible for credit servicing, administration and underwriting of higher education, non-profit and government relationships based in Pennsylvania and Delaware. Tom joined CoreStates Bank in 1973, which was later acquired by First Union and now Wachovia. He received a BA in economics from Muhlenberg University in Allentown, PA.

**Ron Brasten** - Associated Director of Portfolio Manager. Ron is an Associate Director and Portfolio Manager with the Short-Term Investment team of Evergreen's Customized Fixed Income group. His responsibilities include managing and maintaining short-term taxable portfolio for institutional clients. Ron has been with Evergreen or one of its predecessor firms since 1984. Previously, he served as an Asset Liability Analyst (1987 – 1989) and a Financial Accountant (1984 – 1986).

**Mitch Pangretic** - Regional Sales Manager – Wachovia Merchant Services  
Mitch has worked in the merchant services/credit industry for ten years specializing in sale and service. Mitch has focused on government and institutional credit card payment processing over the past two years. His experience includes educating and developing

electronic payment platform for State, City and local Municipal agencies. Colleges and Universities and not-for-profit accounts. Mitch negotiates all terms of service and contracts concerning electronics payment processing on behalf of Wachovia Merchant Services.

**Team 605** -Wachovia's Corporate Customer Service – consists of a lead Account Manager assigned to each individual relationship with a supporting team of five (5) other account managers. Team 605 has an average of 27 years experience in banking.

The team services the government and non-profit organizations such as the City of Philadelphia, Philadelphia Housing Authority, Philadelphia Gas Works, Commonwealth of Pennsylvania.

#### **The Biographies of Team 605**

**Marilyn Matlock** - Marilyn is a Team Support Leader with 29 years of experience in the banking industry, twenty of those years have been with Wachovia. Her banking experience includes commercial and real estate loans, commercial customer service, and corporate customer service.

**DeeDee Almeyda** - DeeDee is a Corporate Account Manager with 2 years with Wachovia. Her customer service experience started in Online banking then moved to Business Services then in March 2007 came to join the corporate team.

**Mark Beall** - Mark Beall has been with Wachovia for seventeen years and has experience in managing banking relationships. This knowledge includes customer service, collections, process documentation and training, and have been a Corporate Account Manager for 8 years.

**Tangela Chambers** - Tangela is a Corporate Account Manager with over 6 years at Wachovia. She started her career as a Teller learning multiple functions at the Branches. Tangela came to Business Services in November, then to Corporate in March 2007

**Nikki Digsby** - Nikki has over 8 years experience at Wachovia, she has been a Corporate Account Manager for 5 years, and her experiences include banking operations including card production and Retail banking.

**Sandra Hill** - Sandra is a Senior Account Manger in Corporate Customer Service with over 20 years of service with Wachovia Bank. She has been in Corporate Customer Service for the past 13 years. Prior to joining Corporate Customer Service, she worked in Wachovia's Treasury Services Department for seven years.

**Jennifer Krell** - Jennifer is in her 3<sup>rd</sup> year at Wachovia, she previously worked in Online Banking and Employee Financial Services before coming over to Corporate in June 2007 and taking a Corporate Account Manager Position.

**Audrey Sims** - Audrey has performed various duties in our Home Equity and Small Business Loans areas within Wachovia. She has been with the bank for 10 years, 6 of those years have been in Corporate Customer Service.

**(f) If one primary contact would be assigned to our account, who will it be? Please provide this individual's resume.**

Carlo Borgia  
Senior Vice President  
Government Banking Department.

Carlo has twenty years of Sales and Managerial experience in Financial Services. He possesses a BA degree in Liberal Arts from LaSalle University and an M.S. in Administrative Management and a M.B.A. degree from Wilmington College and a certified Financial Planners License from the College of Financial Planning in Denver.

Carlo has been actively involved in the Political, Economic and Social Activities in various markets areas. Carlo is a Board member of the Central Bucks County Chamber of Commerce, a Government Affairs Committee member of the Delaware County and Mainline Chamber of Commerce, Board member of the Chester County Chamber of Business Industry, Board member of Montgomery Workforce Initiative, Board member of Catholic Healthcare – St. John Newman and the Treasurer of the Hero Scholarship Fund.

As a Senior Vice President, Wachovia Bank Government Banking Division; he is responsible for service and sales of banking products to clients and prospects in the Greater Philadelphia market. His primary responsibilities include the Counties of Bucks, Chester, Delaware, Montgomery and Philadelphia. Carlo services Government entities and School Districts.

**(g) How does the bank ensure continuity of service when the primary customer service representative is unavailable?**

Wachovia's Commercial Customer Service model provides customer service through your Relationship Manager, Relationship Specialist and Commercial Customer Service Group. In the event one is unavailable, the others can provide the desired assistance.



**(h) Provide a list of all states in which the bank has depository capabilities.**

Alabama	Indiana	Mississippi	Pennsylvania
Arizona	Iowa	Missouri	South Carolina
Arkansas	Kansas	Nevada	Tennessee
California	Kentucky	New Jersey	Texas
Colorado	Louisiana	New Mexico	Utah
Connecticut	Maine	New York	Vermont
Delaware	Maryland	North Carolina	Virginia
Florida	Massachusetts	Ohio	Washington
Georgia	Michigan	Oklahoma	Washington, DC
Illinois	Minnesota	Oregon	Wisconsin

**2. Institution Information**

**(a) Provide the address of the financial institution's corporate, regional and local headquarters.**

Corporate headquarters:

Wachovia Corporation  
301 South College Street Suite 4000  
One Wachovia Center  
Charlotte, North Carolina 28288-0013

Regional/Local headquarters:

Wachovia Bank  
123 South Broad Street  
Philadelphia, PA 19109

**(b) Acquisition/merger history: Indicate whether your institution has acquired, or has been acquired by another financial institution in the last three years. Please specify the institution, the date of acquisition, and the information relative to geographical presence, operational changes, and amount of assets.**

On May 7, 2006, Wachovia and Golden West Financial Corporation, parent of World Savings Bank, announced a definitive agreement to merge. The merger was completed October 2, 2006. The combined company has an estimated \$706.4 billion in assets and a \$105.3 billion market capitalization. The combined company's approximately 13 million households and businesses in 21 states and Washington, D.C, will be served by more than 110,000 employees, approximately 3,400 banking branches, full-service telephone and Internet banking, 5,100 ATMs, nearly 770 brokerage offices and 10,700 registered representatives. The merger integration process is scheduled to be completed mid-2008.

At the present time Wachovia has not announced any merger plans that would impact our payroll processing services.

**(c) Provide confirmation of the Institution's Asset value.**

Benchmark	List Asset Value	
<input type="checkbox"/> Less than	\$100,000,000	\$
<input checked="" type="checkbox"/> Greater than	\$100,000,000	\$706.4 billion

**(d) Provide confirmation for number of years in operation.**

Today's Wachovia was created when First Union Corporation acquired the former Wachovia Corporation and changed its name to Wachovia. First Union's predecessor, Union National, was founded in 1908 in Charlotte, North Carolina, while the former Wachovia traced its roots to its founding in the town of Winston (later Winston-Salem), North Carolina, in 1879. Through a variety of merger partners over many decades, today's Wachovia can trace its heritage to the nation's first commercial bank, the Bank of North America, chartered by Congress in 1781.

Number of Years as the above named business entity.

Number of Years related to merged acquisition history.

226 Number of Years Operating in City of Philadelphia.

**(e) Provide confirmation that the Institution has been profitable for the last two years, and provide the amount.**

Profitable?		Profit	Loss
<input checked="" type="checkbox"/> Yes	2005	\$6,643MM	\$N/A
<input checked="" type="checkbox"/> Yes	2006	\$7,791MM	\$N/A

**(f) Provide number of bank branches and ATMs. Attach a directory of branch locations with each of their respective levels of service (teller window availability) and hours of operation.**

State	Number Bank Branches	Number of ATM's (Directly owned only)
City of Philadelphia	50	114
Pennsylvania	289	421
New Jersey	293	421
Delaware	17	32
Maryland	58	78

**(g) Provide total number of employees:**

**(Please also provide the annual amount of Philadelphia City Wage Taxes paid)**

State	Number of Employees	Wage Taxes Paid
City of Philadelphia	3,591	\$10,293,024 (2005)
Pennsylvania	8,776	
New Jersey	6,009	
Delaware	390	
Maryland	1,770	

**(h) What is the overdraft protection amount available?**

The City of Philadelphia has maintained deposit accounts with Wachovia Bank for many years and the result has been a very favorable banking experience. By maintaining frequent contact with the City, Wachovia has been able to approve disbursements in advance of anticipated receipt of funds and has supported other timing differences which may have caused a temporary overdraft. We have consistently shown the willingness to accommodate the City's need to honor all checks and disbursements.

- (i) What is the contingent dollar amount that would/could be provided (temporarily over drafted) to the City for the continuity of payroll compensation from 1 day to 30 days?**

<b>Days</b>	<b>Required Overdraft Protection Amount</b>	<b>Applicant Bank or institution will continue to fund payments without cash deposits by the City</b>	
<input type="checkbox"/> 1 day	\$ 60,000,000	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<input type="checkbox"/> 2 to 7	\$100,000,000	<input type="checkbox"/> YES	<input type="checkbox"/> NO
<input type="checkbox"/> 7 to 30	\$300,000,000	<input type="checkbox"/> YES	<input type="checkbox"/> NO

During its long relationship with Wachovia Bank, The City of Philadelphia has never overdrawn its accounts. If an overdraft were to occur Wachovia would work with the City and make every effort to resolve the overdraft in a timely manor. If the City is interested, Wachovia would be happy to discuss short term borrowing facilities to meet the City's needs in the unlikely event of overdraft.

- (j) What is the institution's compliance to the Commonwealth's regulations specified in Act 72 and the United States Treasury Circular No. 92 for the pledge of assets to secure deposits of public funds?**

Wachovia pledges securities in full compliance with the states rules as directed under Act 72. Securities are placed at a third party custodian as required by Act 72. We pledged collateral such that the value of the securities in relation to the uninsured balances follows the requirements of Act 72.

**B. CASH DEPOSIT INSURANCE & COLLATERAL**

**1. Federal Reserve**

**(a) Is the financial institution a member of the Federal Reserve System? If no, please explain:**

YES                       NO

**(b) Does a Federal Corporation insure the financial institution? If yes, provide name of institution. If no, explain.**

YES                       NO

Federal Deposit Insurance Corporation

**(c) Provide a statement regarding the financial institution's practice of deposit collateralization.**

Wachovia complies with all applicable state and federal regulations surrounding the practice of collateralizing public deposits. Specifically in the Commonwealth of Pennsylvania, we comply with Act 72.

**(d) Describe how the financing institution complies with the Commonwealth's regulations specified in Act 72 and the United States Treasury Circular No. 92 for the pledge of assets to secure deposits of public funds.**

Wachovia pledges securities that are privately held CMO's that meet criteria under TT&L guidelines. We hold segregated collateral at an independent third party custodian (Bank of New York)

**(e) What is the maximum collateralized amount the institution can provide?**

Amount: \$500 MM

**(f) Are separate secure deposits held with the Federal Reserve Bank system or another commercial Bank?**

YES

NO We hold collateral at BONY.

**(g) What is the frequency with which the financial institution evaluates for the purpose of adding or subtracting the amount of pledged collateral requirements that would equal the total deposits to be secured at 100% market value?**

Wachovia evaluates collateral needs daily.

### **C. PAYROLL DEPOSIT PROCESSING**

**(a) What is the payroll check cashing policy for employees that do not have an account and describe any costs associated with this service?**

Wachovia's Check Cashing Policy for non-Wachovia account holders includes the need for the person cashing the check to provide 2 forms of picture identification and an inkless thumb print will be taken. The standard policy also includes a \$5 fee. Due to the long time and full relationship the City and Wachovia has, Wachovia waives this fee for the City of Philadelphia.

**(b) What is the ability to match the scope of deposit and disbursement activity as it relates to the City of Philadelphia?**

As the current provider of payroll services to the City of Philadelphia, Wachovia has the branch location, treasury services, disaster recovery plan and relationship team to continue to be the provider now and in the future.

**(c) What examples can the applicant provide of current services or explain the ability to match the scope of the payroll deposits and disbursement transaction that would meet the needs of the City of Philadelphia?**

Based on NACHA rankings, Wachovia is the fifth-largest ACH originator and third largest receiver of ACH Payments in 2006. Our 2006 origination volume grew 44.9% with a total network origination volume of 696,215,333. Also, in 2006 Wachovia's received volume grew 19.3% with a total network received volume of 573,370,196.

(d) How much of the applicant's customer base use the following types of ACH origination for transmission and what percentage does each type represent?

ACH Origination Method	Number of Customers	Percentages
Direct Transmission	6,473	38%
ACHieve (PC-based)	No longer offered	N/A
WebACHieve (Internet-based)	2,068	14%
Information Reporting Services	5,163	31%
Integrated Payables	200	1%
Cash Concentration	177	1%
Tax Payment Origination	2,088	12%

(e) What are the applicants' cutoff times for delivery of a direct deposit file?

To ensure your customers and employees have immediate access to their funds on settlement date or payday, Wachovia recommends that ACH credit transactions, such as direct deposit items, be delivered to the Bank two days prior to settlement date. Wachovia has different deadlines depending upon the method of input. Our deadlines for direct transmission of ACH files are:

- 5:30 p.m. ET (allows time for you to transmit a corrected file if needed)
- 10 p.m. ET (doesn't allow time for you to transmit a corrected file)
- 11:30 a.m. ET deadline one day prior to settlement

Use of the 11:30 a.m. ET window may result in funds not being posted by the receiving financial institution to the recipient's account by opening of business on due date or payday.

For ACH debit transactions, delivery can be one day before settlement subject to the above noted deadline. Only transactions between Wachovia demand deposit accounts can be made on a same-day basis.

(f) Can the applicant deliver ACH direct deposit transactions two days prior to settlement date?

YES

NO

(g) Can the applicant meet the deadline requirement? If no, then propose another schedule:

YES                       NO

(h) Will use of the 11:30 a.m. or your 3rd ET window result in funds not being posted by the receiving financial institution to the recipient's account by opening of business on due date or payday?

YES                       NO

Use of the 11:30 a.m. ET window may result in funds not being posted by the receiving financial institution to the recipient's account by opening of business on due date or payday.

(i) The following table details the weekday schedule. Sunday cut-off time is 3 p.m. ET.

Customer Input Method	Mon. – Fri. Cut-Off Time		
	Day Cycle	Night Cycle	Same-Day Book Transfer
Touch-Tone Phone (Cash Concentration)	7:30 p.m. ET	NA	NA
PC (ACHieve)	8:30 p.m. ET	NA	8:30 p.m. ET
Terminal (Cash Concentration)	7:30 p.m. ET	NA	NA
FTP (NACHA Formatted File)	10 p.m. ET	NA	10 p.m. ET
CPU-CPU (Bisynchronous) (NACHA Formatted File)	10 p.m. ET	NA	10 p.m. ET
PC-CPU (Asynchronous) (NACHA Formatted File)	10 p.m. ET	NA	10 p.m. ET
Bank Connection	8 p.m. ET	NA	NA
WebACHieve (Internet-Based Services)	8 p.m. ET	NA	8 p.m. ET
Integrated Payables / Online Payables	9 p.m. ET	NA	9 p.m. ET



(j) Can the applicant meet same or similar to this requirement?

YES  NO

(k) Can the applicant receive FTP transmissions?

YES  NO

(l) Does the applicant have standard, encrypted (secure) FTP transmissions?

YES  NO

(m) Does the applicant have the same or similar verification controls?

YES  NO

(n) The applicant has same or similar confirmation controls?

YES  NO

(o) To help ensure accurate processing of "live" transactions, does your bank recommend use of pre-notifications for customer credits

YES  NO

(p) Describe how you handle returned pre-notifications.

Banks that receive "prenotes" are required to respond to them as they respond to live dollars. That is, they are obligated to return transactions and provide notifications of change (NOC) to the originating bank within two banking days.

(q) Describe how return items are handled.

When an ACH item is returned to us, we match it to the City of Philadelphia's original ACH transaction and post the return to your account on the day it is received. Return and Notification of Change (NOC) information is available within hours of notification and can be provided through any of the following vehicles:

- Online information reporting provides return information (Wachovia Connection®) — few hours after receipt of the transaction

- Faxed report — daily
- E-mailed report — daily
- Transmission — ACH File of Returns and NOCs formatted according to either NACHA or ASC X12 827 file specifications. Delivery is based on your requirements, but is generally daily.

**(r) Will the bank cash the payroll checks and travel reimbursement checks drawn on the bank and other banks without charge?**

Wachovia will cash, without charge, checks drawn on Wachovia if the payee is also a Wachovia customer. Wachovia will cash, for a \$5 fee, checks drawn on Wachovia but where the payee isn't a Wachovia customer. If Wachovia agrees to cash payroll checks for non-customers with checks not drawn on Wachovia, the standard fee of 3 percent or a minimum of \$5 will be assessed. Any arrangement to cash payroll checks on a non-Wachovia account will need to be approved by the Relationship Manager.

**(s) What is the charge and how is it assessed?**

Please see above response.

**(t) Is a check cashing agreement required?**

YES

NO

An indemnification agreement is required only for cashing payroll checks that are not drawn on Wachovia. Any request to cash payroll checks on a non-Wachovia account will need to be approved by your Relationship Manager.

**(u) Does the bank offer employee banking packages? If so, describe Yes.**

**Yes. Wachovia at Work:** A package of services for employees that is tied to their regular checking accounts when utilizing direct deposit of payroll. Depending upon balances maintained in an employee's account, various levels of benefits are made available to them (no monthly maintenance fees, bonus rate on time deposits, free check orders, reduced rates on loans, etc.).

(v) Does the bank offer Payroll Cards? Describe conditions:

YES

NO

Yes. **Direct Pay:** Allows you to increase direct deposit participation with employees who do not qualify for traditional checking accounts. Each participating employee is provided with a Visa-branded payroll card to withdraw funds via ATMs or POS merchants accepting Visa debits.

**D. AUTOMATED CLEARINGHOUSE (ACH) SYSTEM: TRANSMISSION AND REPORTING**

(a) Describe the ACH service delivery methods (1) direct transmission, (2) PC-based system, (3) terminal input, (4) Web

Wachovia offers the City of Philadelphia the option of selecting from several ACH transaction initiation methods, including direct transmission, PC-based origination and the Internet. You select the option that best matches your processing environment.

- Direct transmission of ACH files: You transmit a NACHA formatted file that contains pertinent ACH transaction information (ABA number, account number, dollar amount, effective date). Files can be transmitted to Wachovia via Xmodem Asynchronous, 2780/3780 Bisynchronous, FTP and/or 3770 SNA protocols.
- WebACHieve, one of our Internet-based ACH origination services: This service requires use of a compatible browser only.
- Wachovia Connection<sup>®</sup>, our Web-based information reporting and transaction initiation service: This module can be used to initiate individual or batched ACH transactions via the Internet. This service requires use of a compatible browser.

**Include any alternative methods that might meet our needs.**

If the City of Philadelphia prefers to deliver a single file containing multiple payment types, including electronic payments (ACH and wire) and paper checks, Wachovia offers its Integrated Payables service. Consolidated data can be transmitted to Wachovia according to standard or proprietary formats or in one of the appropriate ANSI ASC X12 transaction sets.

Wachovia also offers an Online Payables service that brings to small and mid-sized customers service benefits that were previously available to only our largest customers through Integrated Payables. Through this Web-based offering, you are able to initiate check payments (including payroll checks), ACH payments, direct deposit advices and other miscellaneous financial documents through an easy-to-use online service. Payment instructions may be sent in various formats and may include remittance information.

## 1. ACH Reporting

**What methods are available for reporting incoming and outgoing ACH transactions, e.g., Web, telephone, PC-based?**

Wachovia's ACH Origination customers have access to on-line functionality for Control Totals, Fraud Control and File Maintenance via Wachovia Connection.

Wachovia Bank offers the City of Philadelphia several methods to retrieve data on incoming and outgoing ACH transactions. These methods include Wachovia Connection<sup>®</sup>, our Internet information reporting service, plus application-specific reporting. We've highlighted the services below.

- **Wachovia Connection:** Wachovia's Internet reporting service that enables you to access your balance and transaction information. The City of Philadelphia is able to retrieve Wachovia Connection originated and/or any received ACH transaction information at the summary or detail level.
- **Integrated Receivables Service:** Wachovia's Integrated Receivables Service translates and consolidates payments and remittance information received from the ACH and wire systems and reports this data to you for automated posting to your receivables systems. Reporting format options include ASC X12, BAI or customer proprietary formats that can be tailored to meet individual needs. In addition, incoming ACH transactions can be reported to you via an automatically generated fax, e-mail or hard-copy report.
- **NACHA Formatted File:** Wachovia can monitor all incoming ACH transactions, returns and/or Notifications of Change and transmit this information to you on a daily basis in a NACHA format.

- Cash Concentration Reporting: Wachovia can provide the City of Philadelphia with reports that detail your cash concentration activity. You can receive daily and historic concentration activity via terminal, Internet or fax.

**(a) The current bank provides reporting of ACH transactions. Can the applicant meet this requirement? If yes, describe how your bank meets this requirement.**

YES                       NO

**(b) By what methods do you provide confirmation of deletions and reversals?**

ACH entries will appear on your checking account statement and can be viewed via Wachovia Connection<sup>®</sup> prior-day reporting.

**(c) Currently, the City's ACH entries appear on the checking account statement and can be viewed on-line in prior-day reporting. Can my bank meet this requirement:**

YES                       NO

## **2. ACH Settlement**

**(a) What time and day must the customer fund disbursements?**

Wachovia requires funding of outgoing ACH transactions by the close of business on the effective date.

**(b) The City is required to fund outgoing ACH transactions by the close of business on the effective date. Can the applicant meet this requirement?**

YES                       NO

**(c) What time and day will the customer be available to receive ACH collections?**

ACH settlement credits are memo posted at the opening of business on the settlement day.

**(d) Currently, ACH settlement credits are memo posted at the opening of business on the settlement day. Can the applicant meet this requirement?**

YES

NO

**(e) Can same-day ACH book transfers be made? Can the applicant meet this requirement?**

YES

NO

**(f) If yes, describe the latest deadline for processing same-day ACH transfers by the initiation mechanism used:**

<b>Origination Method</b>	<b>Deadline</b>
Direct transmission of NACHA file:	<b>10 pm ET</b>
Direct transmission of EDI/flat file via Integrated Payables or Online Payables:	<b>9 pm ET</b>
Initiation via ACHieve:	<b>No longer used</b>
Initiation via WebACHieve:	<b>8 pm ET</b>

### **3. Receiving ACH Transactions**

**(a) What time will we be informed of items being charged/credited to our account?**

Current day ACH information is updated daily after each ACH window is processed (approximately five times a day).

**(b) Current day ACH information is updated daily after each ACH window is processed (approximately five times a day). Can the applicant meet this requirement?**

YES

NO

**(c) What information do you provide and how do you report incoming ACH**

**transactions? (ACH information provided on current day reports includes: Amount, Effective Date, Originating Company Name, Originating Company ID, etc.)**

ACH information provided on current day reports includes: Amount, Effective Date, Originating Company Name, Originating Company ID, Originating Bank, Receiving Company Name, Standard Entry Class and Original and Current Trace Numbers. A sample report is provided in the Appendix.

ACH information provided on previous day reports includes: Amount, Effective Date, Originating Company Name, Originating Company ID, Standard Entry Class and Trace Numbers. A sample report is provided in the Appendix.

Customers can be provided with ACH information via Wachovia Connection Plus, E-mail, Fax, or Mailed Report. We can also send customers NACHA formatted file of incoming ACH transactions, or provide a proprietary formatted file of ACH data through our Integrated Receivables service.

**(d) Currently, the City of Philadelphia receives ACH information via on-line and E-mail. The applicant can meet this requirement?**

YES                       NO

#### **4. ACH Fraud Control Services**

**(a) Does the bank offer any service to protect our account from unauthorized ACH debits?**

YES                       NO

**(b) If yes, describe the bank's offers ACH authorization service. Currently, the City has ACH Block ACH Fraud Control, and ACH Fraud Control with Positive Pay The applicant can meet this requirement?**

YES                       NO

Yes. Wachovia offers an ACH authorization service known as ACH Fraud Control. This product line offers three different levels of debit authorization:

- **ACH Block** – blocks all ACH activity to the designated accounts and automatically returns any attempted ACH transactions to the originating bank. ACH Blocks can be established to prevent all ACH credits, all ACH debits or all ACH activity from posting to your account.
- **ACH Fraud Control** – blocks all “unauthorized” transactions (based on the Originating Company ID and/or dollar limit) and automatically returns them.
- **ACH Fraud Control with Positive Pay** – notifies you of any ACH transactions attempting to post to your account(s) that aren’t within a list of authorized ACH transactions you provide Wachovia. Should any unauthorized ACH activity occur, Wachovia reports the activity within 24 hours for you to review. This allows the City of Philadelphia the flexibility to consider any exceptions prior to returning the transaction.

**(c) Currently, the City of Philadelphia currently subscribes to ACH Control Service for its Payroll Account.**

**YES**

**NO**

**(d) Can you block all ACH debits to our account?**

**YES**

**NO**

**(e) If yes, describe how your bank can block all ACH debits to an account?**

Yes. Wachovia can block all ACH debits to an account by setting system parameters to return all ACH debits attempting to post against your account.

**(f) Can you selectively accept ACH debits only from originators authorized by us?**

**YES**

**NO**

**(g) If yes, describe how you can provide ACH authorizations.**



You can provide ACH authorizations to Wachovia via ACH Customer Self Service via Wachovia Connection<sup>®</sup> or manually Wachovia can selectively accept ACH debits from authorized originators and return incoming ACH debits that do not meet pre-authorized criteria.

**(h) Can you ensure that originators do not charge our account for more than we have authorized? If yes, describe how you will be able to set maximums or specific dollar amounts for debit authorizations.**

YES                       NO

Yes, with ACH Fraud Control and/or ACH Fraud Control with Positive Pay, you will be able to set maximums or specific dollar amounts for debit authorizations.

**(i) Can you stop payment of individual transactions?**

YES                       NO

**(j) If yes, describe the procedure your bank uses with customers to stop payments of individual transactions from being executed.**

Yes. Stop payments of individual transactions can be executed by calling your Wachovia Customer Service Center.

## **5. Disaster Recovery**

**(a) Describe the procedures established for disaster recovery in the event of a systems failure or other disaster at the bank's primary processing site.**

Wachovia processes ACH transactions in two sites, Charlotte and Winston-Salem, NC. Both these sites are internal and have been equipped to provide adequate processing capability to back up each other. In addition to these two sites, we maintain an outsourced, off-site data recovery center, to be utilized for testing and for disaster recovery back-up of the data centers. Testing on our sites is performed semiannually for ACH and includes communication switching and file processing.

We have initiated a project to build a third data center that will allow for recovery of critical applications in the unlikely event that both data centers are impacted by a cataclysmic regional event.

All information needed to support Wachovia's Disaster Recovery plan is maintained off-site as appropriate. An outside company runs the storage facility. Both environmental (humidity, temperature, etc.) and security controls are in place. The location, which is several miles from our processing site, is confidential.

In addition to developing, monitoring and testing our disaster recovery plans, Wachovia's Operational Risk Management department develops policies and procedures to identify and mitigate risks that can result in loss from inadequate or failed internal processes, people, systems and technology. These measures encompass:

- physical, computer and network access control
- alternate power, cooling and water sources
- mainframe, midrange and large UNIX server capacity planning

Wachovia employs 70 Business Continuity Managers to identify cost-effective methods to prevent and recover from business disruptions. We believe these aggressive measures help us reduce the likelihood that disaster recovery processes will be exercised.

Wachovia tested its ACH disaster recovery procedures in April 2006. Wachovia audits the documentation and off-site storage schedule to ensure that they remain in synch.

**(b) How often do you test disaster recovery procedures?**

Wachovia tested its ACH disaster recovery procedures in April 2006. Wachovia audits the documentation and off-site storage schedule to ensure that they remain in synch.

**(c) When the plan was last updated and tested?**

See response above.

**(d) Is there a "hot" backup processing site? If yes, describe its location and capabilities.**

Wachovia processes ACH transactions in two sites, Charlotte and Winston-Salem, NC. Both these sites are internal and have been equipped to provide adequate processing capability to back up each other. Testing on our sites is performed semiannually for ACH and includes communication switching and file processing.

All information needed to support Wachovia's Disaster Recovery plan is maintained off-site as appropriate. An outside company runs the storage facility. Both environmental (humidity, temperature, etc.) and security controls are in place. The location, which is several miles from our processing site, is confidential.

**(e) Is there an alternative backup processing site: Yes/No? If yes, describe briefly its location and capabilities.**

Wachovia processes ACH transactions in two sites, Charlotte and Winston-Salem, NC. Both these sites are internal and have been equipped to provide adequate processing capability to back up each other. Testing on our sites is performed semiannually for ACH and includes communication switching and file processing.

All information needed to support Wachovia's Disaster Recovery plan is maintained off-site as appropriate. An outside company runs the storage facility. Both environmental (humidity, temperature, etc.) and security controls are in place. The location, which is several miles from our processing site, is confidential.

**(f) What is the contingency plan if a "hot" backup site is not available and a disaster occurs that prevents all work from being processed on a same-day basis?**

Since our "hot site" is our alternate internal processing site, if the "hot site" is not available, we would recover at the outsourced recovery center. Wachovia provides for recovery of its data centers through two distinct strategies. First, the two Wachovia data centers back each other up for disaster recovery and testing. To ensure the needed mainframe hardware capacity, the development system has been placed at one data center, while technology recovery testing facilities are located at the other data center. Second, Wachovia also maintains an outsourced, off-site data recovery center to be utilized for testing and for disaster recovery of either of the other two data centers.

**(g) What disaster recovery services can the bank provide if the customer cannot operate from its own facilities? Specifically, what is the respondents' provision for disaster recovery services in the Philadelphia metropolitan area such as those that occur as the result of power failures?**

Due to the sensitivity of payroll processing, Wachovia worked with the City of

Philadelphia to develop a disaster recovery plan in the event the City could not send Wachovia an ACH File through the normal process. A CD ROM containing the DDP file would be delivered to Wachovia's Data Transmission Services Department located at 101 Independence Mall, Philadelphia. The Data Transmission Services Department will then process the file. This plan was successfully tested in January, 2007.

## 6. Controlled Disbursement

- (a) Where will the point or points for our proposed disbursement account be located? What is its relationship to your organization: main office, branch, affiliate, correspondent, service bureau, other?**

Philadelphia. All points are branch relationships and are classified as Regional Check Processing Center sites.

- (b) When are disbursement totals reported? Discuss how the bank handles items presented after the City is notified of its total daily clearings.**

Items from the national clearinghouse are reported if received prior to 8 a.m. ET. Cash letters received after that time are held over and not reported until first presentment the following business day. The sending bank does not receive immediate credit for these items.

Local clearinghouse checks received after 4 a.m. ET, but before 8 a.m. ET, will be included in your notification for the current day. Paper items received after the cutoff are held over for notification and posted the following business day. Overdraft charges are not assessed for these items. Items presented over-the-counter for cash are assessed a teller-cashed-float charge. Items presented over-the-counter for deposit are not assessed this charge.

Electronic items, such as ACH debits and wire transfers, will be processed same-day, as required by regulation.

ACH items received prior to 7 a.m. ET are included in the current day reporting totals and are posted to the account that evening. Wire transfers received prior to the final report will also be included.

Both over-the-counter items presented for cash and items presented for deposit are held over until the following day for reporting purposes. There are no overdraft

charges for either type of payment but the City of Philadelphia incurs a teller cashed float charge for cashed items.

- (c) Are these items posted against the account, or held over and included with the next day's first presentment? If yes, elaborate.**

Please see response above.

- (d) May the City issue payroll checks on the controlled disbursement account? If yes, elaborate.**

Yes. Wachovia's Controlled Disbursement Service does accommodate disbursement for payroll purposes. We have enhanced our service to include the ACH debits (provided they are received by 7 a.m. ET) in daily presentments thus allowing for direct deposit of payroll activity. Items processed through our branch network are held over until the following day for reporting and presentment purposes. Wachovia does not charge for payroll items deposited through our banking center and ATM networks; however, the Bank does impose a teller-cashed-float charge for items presented over-the-counter for cash.

- (e) Discuss the bank's policies and procedures for processing stale-dated items. If the respondent uses positive pay, will we be notified of stale-dated items?**

With Wachovia's Positive Pay Service, any stale dated check is presented as a positive pay exception for decisioning by you. The City of Philadelphia may provide a stale date parameter (number of days) that checks are considered stale for positive pay disposition. The stale date is not validated at the teller window. Stale date treatment does not apply to Bank clients not subscribing to the Positive Pay Service.

- (f) If yes, describe the service. If no, discuss any plans to offer this service and a projected timetable.**

The City of Philadelphia provides Wachovia with payee name along with the usual serial number and dollar amount information. As checks are presented for payment, in addition to matching serial number and dollar amount, the Bank compares payee information on your positive pay file to the payee name on the check. Any items not matching all of the fields or not within stale date parameters will be presented to you as exception items.

Wachovia's Payee Match Positive Pay Service extends to the teller line. Upon

presentment for payment, the teller is provided with data detailing what the payee name should be. Those items not matching the issue file are not cashed, and the person attempting to cash the check is referred to the maker of the check.

**(g) What is the published time to notify customers of their daily clearings?**

For all sites, notification times are as follows:

Site	1 <sup>st</sup> Presentment	2 <sup>nd</sup> Presentment
Augusta, GA	8:30 a.m. ET	10 a.m. ET
Chapel Hill, NC	8:30 a.m. ET	10 a.m. ET
Greenville, SC	8:30 a.m. ET	10 a.m. ET
McLean, VA	8:30 a.m. ET	10 a.m. ET
Pensacola, FL	8:30 a.m. ET	10 a.m. ET
Savannah, GA	8:30 a.m. ET	10 a.m. ET
<i>SILVER SPRING, MD</i>	8:30 a.m. ET	10 a.m. ET
Washington, DC	8:30 a.m. ET	10 a.m. ET
Wilmington, DE	8:30 a.m. ET	10 a.m. ET

The average daily notification times during May 2007 are as follows:

Site/Presentment	May 07	April 07	March 07	Quarterly Averages 1st Presentment	Quarterly Averages 2nd Presentment
Jacksonville, FA 1 <sup>st</sup> <sup>1</sup>	8:16 a.m.	8:17 a.m.	8:15 a.m.	8:16 a.m.	
Jacksonville, FA Final	9:46 a.m.	9:46 a.m.	9:47 a.m.		9:46 a.m.
Atlanta, GA 1 <sup>st</sup> <sup>2</sup>	8:16 a.m.	8:16 a.m.	8:18 a.m.	8:16 a.m.	
Atlanta, GA Final	9:47 a.m.	9:47 a.m.	9:47 a.m.		9:47 a.m.

Charlotte, NC 1 <sup>st</sup> <sup>3</sup>	8:16 a.m.	8:16 a.m.	8:16 a.m.	8:16 a.m.	
Charlotte, NC Final	9:46 a.m.	9:48 a.m.	9:58 a.m.		9:49 a.m.
Philadelphia, PA 1 <sup>st</sup> <sup>4</sup>	8:17 a.m.	8:16 a.m.	8:16 a.m.	8:16a.m.	
Philadelphia, PA Final	9:51 a.m.	9:51 a.m.	9:50 a.m.		9:51 a.m.
Richmond, VA 1 <sup>st</sup> <sup>5</sup>	8:16 a.m.	8:16 a.m.	8:16 a.m.	8:16a.m.	
Richmond, VA Final	9:46 a.m.	9:46 a.m.	9:47 a.m.		9:46 a.m.
<b>Totals</b>					
1 <sup>st</sup> Presentment	8:16 a.m.	8:16 a.m.	8:16 a.m.	8:16 a.m.	
<b>Totals</b>					
2 <sup>nd</sup> Presentment	9:47 a.m.	9:48 a.m.	9:46 a.m.		9:47a.m.

**(h) Does notification of daily clearings (or funding requirements) include both check and ACH debits? If yes, how are ACH totals reported? Are the reports integrated with check information or reported separately?**

Yes. Provided ACH files are received prior to the 7 a.m. ET deadline, ACH debits are integrated with check information.

Occasionally, an ACH debit for the current day may come in after presentments have been posted due to delays with an originating bank, delays at the Federal Reserve or as an On-us item created by another Wachovia customer. In these rare cases, Wachovia must post the items as late hits, based upon the policy that electronic transactions with a current effective date must be posted on that date. Current day reporting options via Wachovia Connection<sup>®</sup> allow you to monitor account activity throughout the day. Through proactive notification, you can be notified of these late electronic transactions via either e-mail or text capable cellular phone.

**(i) List customer funding options and identify the requirements and restrictions of each option (e.g., wire, ACH, drawdown, delayed funding). Same day funding options include Federal Reserve wires (both credits and drawdowns), Zero Balance Master Accounts, Depository funding account. Can the applicant meet this requirement?**

Same day funding options include:

- Fed wires (both credits and drawdowns)
- Zero Balance Master Accounts
- Depository funding account
- Manual funding from a Wachovia account
- Maturing investments
- Loan proceeds (line of credit)

Accounts in a ZBA relationship must all reside in the same state whereas depository funded disbursement accounts may reside in a state different from that of the funding account(s).

**(j) Does the bank offer zero balance sub-accounts that may be funded automatically from a designated funding account? If yes, discuss conditions, if any.**

Yes, the funding of Wachovia Zero Balance Accounts is automatic. All accounts in a zero balance account structure must be housed in the same state. Yes. There is a 9,998 limit to the number of sub accounts assigned to a parent. Wachovia offers up to four tiered zero balance sub accounts that may be funded automatically from a single master account. The master account must be located in the same state as any account that it is designated to fund.

**(k) Where will the funding account be located and what transfer mechanism funds the subsidiary account, if not automatic?**

The funding is automatic.

**(l) Is there a daily cap on fees? Discuss:**

No. A daily cap on overdraft fees is not applicable.

**(m) Is interest assessed on overdrafts? If yes, how is the interest rate calculated for overdrafts?**

Overdraft fees are calculated according to the following formula:

$(\text{Overdraft amount}) \times (\text{rate}) \times (\# \text{ of days}/360)$



**(n) What procedures are used to resolve overdrafts caused by funding failures as a result of:**

**i. Improper funding by the customer?**

Overdrafts caused by improper funding are monitored daily by the Relationship Manager.

**ii. The bank's error or delay in notification?**

Overdrafts resulting from bank error are corrected internally and any associated overdraft charges are waived or reversed.

**iii. A Federal Reserve problem?**

Federal Reserve problems are handled as a bank error. Customers are not responsible for absorbing any related overdraft charges.

**(o) Are these fees a direct charge or can they be offset by the earnings credit allowance?**

To the extent that balances are available, they can be used to offset overdraft charges on your Account Analysis. Once balance compensation is depleted, the accounts are assessed an Account Analysis fee or service charge which may be invoiced or direct debited.

**(p) Describe the methods (e.g., Internet, PC, manually) the bank offers to place stop payments.**

Wachovia Connection<sup>®</sup>, our Internet-based information reporting service, can provide you with online access to enter and delete stop payment requests and to initiate photocopy requests. As soon as a stop payment is issued online, it becomes active in Wachovia's internal and teller systems. Wachovia Connection automatically provides the City of Philadelphia with immediate online confirmation of requests.

In the event your online access is unavailable, stop payments can be placed manually from 7 a.m. ET to 7 p.m. ET by contacting Wachovia's Customer Service Group or your Relationship Specialist.

If the City of Philadelphia has a high volume of stop payment activity, you can send us your stops via bulk file. Transmissions must be received no later than 8 p.m. ET and updates occur once daily. Confirmations of bulk stops are available.

- (q) Discuss the bank's ability to interface directly with the accounting system, enterprise resource planning (ERP) system that the City uses.**

Wachovia's file formats and record layouts are generally flexible enough to interface with the City of Philadelphia's accounting systems. With the exception of Payee Match Positive Pay files, we do not mandate that you use our "standard" record layouts; we can modify the record layout within our allowable parameters to interface with your systems.

- (r) With regards to Positive Pay, what is the response deadline for the customer's pay/return decisions?**

The response deadline for your pay or return decisions is 2 p.m. ET, the day the item is reviewed as an exception.

- (s) Describe all methods by which the bank can send manual issues or deletes to the bank.**

Manual entries are sent via Wachovia Connection<sup>®</sup> or data transmission.

- (t) In the event that the bank does not receive the customer's pay decision response by the stated deadline, is the default disposition set by the bank or by the customer? If the bank sets the default, what is the default disposition (e.g., pay, return, optional)?**

The City of Philadelphia must choose "return all" or "pay all" as the default decision if exception suspect items are not dispositioned by the 2 p.m. ET deadline.

## **7. Positive Pay**

- (a) Is the bank able to match items presented for payment against an electronic file of checks issued by the City (i.e. positive pay) and/or transmit checks paid data to the customer and accept a file of exception items (i.e. reverse positive pay) Yes/No? If yes, describe.**

Yes. Wachovia is able to match items presented for payment against an electronic file of checks issued by the City of Philadelphia. This service is called positive pay. The bank can also transmit check paid data and accept notification of exception items for return processing (i.e., reverse positive pay).

- (b) Does the bank offer a daily service to compare checks paid against a check issue file and provide the customer with a daily notification of all exception items (i.e. prior day Positive Pay)? If yes, describe.**

Yes. Wachovia offers a daily service to compare checks paid against a check issue file. Exceptions can be provided on a same-day basis, that is, prior to posting, via Premiere Positive Pay, or on a prior day basis, that is after posting. Premier Positive Pay service requires Controlled Disbursement.

- (c) Does the bank offer a daily service to compare same day checks presented against a check issue file and provide the customer with a daily notification of all exception items in conjunction with controlled disbursement (i.e. same day Positive Pay)? If yes, describe.**

Wachovia offers our Premiere Positive Pay service, a same-day positive pay service for controlled disbursement accounts. Unmatched checks are not posted and are reported as exceptions the following business day.

- (d) What is the bank's delivery deadline for notifying the customer of exception items?**

Wachovia's deadline for notifying the City of Philadelphia of exception items is 10 a.m. ET.

- (e) Are approved exception items automatically added to the issue file for account reconciliation purposes? If no, what is the mechanism to add to the issue file for account reconciliation purposes?**

No. However, the reconciliation module of Wachovia Connection<sup>®</sup> allows the City of Philadelphia to decision items and request that items be added to the issue file.

- (f) Describe all methods by which the bank can receive the file of all checks issued and voided by the City.**

Check issue and void information may be sent to the Bank through:

- Wachovia Connection<sup>®</sup>, our information reporting and transaction initiation system
- Data transmissions via dial-up facility
- VAN and various FTP formats including a web page interface
- FTP Internet transmission
- VPN

- Dedicated circuits

**(g) Are cashed checks verified against the issue file at the point of encashment (i.e. by your bank's teller)? If no, what is the process for dealing with cashed checks?**

Yes. Wachovia "feeds" positive pay issue information into our teller system so that checks are automatically verified against all stop payments and customer issue files before being cashed at the teller line.

**(h) How are positive pay reports delivered (e.g. phone, fax, proprietary PC software, Internet)?**

Positive pay reports are delivered via Wachovia Connection<sup>®</sup>, our information reporting service.

**(i) Are check images integrated with the positive pay report? If yes, explain how check images are delivered.**

Yes. Check copies can be integrated with the Paid Not Issued Report, and check images are available on the exception report.

## **8. Account Reconciliation**

**(a) Does the bank offer Account Reconciliation Program (ARP) services for controlled disbursement customers? Are these services optional? If yes, describe.**

Yes. Wachovia's Account Reconciliation Services are optional, but highly recommended.

**(b) Are both full and partial reconciliation offered? If yes, describe.**

Yes. Various reconciliation plans are available and can be easily integrated into your accounting and data processing systems. Wachovia's reconciliation plans range from the most basic, paid only listings, to the more complex, full reconciliation of outstanding checks with reconciliation reports. Reconciliation output can be delivered via paper reports and data transmission. Please refer to Appendix for sample reports.

**(c) Can the customer specify a cut-off date for ARP reports? If not, what dates are available? If yes, describe the schedule.**

Yes. Wachovia can provide reconciliation reports cut-off according to the following schedule:

- Weekly (available only for Partial Reconciliations)
- Biweekly
- Semimonthly
- Monthly
- Your internal accounting schedule, such as a 4 week/5 week/4 week schedule

Special one-time cut-off statements are available if notified at least five business days prior to the requested cutoff date. Weekly cycles for full recons are not available.

**(d) Can the customer specify a cut-off date for bank statements? If not, what dates are available? If yes, describe.**

Yes, see response above. Yes. The City of Philadelphia can specify a cutoff date for bank statements. The cutoff dates for the bank statement and recon cycle must be the same. You can choose a weekly (Partial Reconciliation only), monthly or bimonthly cutoff for bank statements and reconciliation reports. Timing of a reconciliation can fluctuate based your calendar, but reconciliation reports and bank statements must have the same cutoff date to balance accounts appropriately. Cut-off dates for bank statements that have not been reconciled are available upon request.

**(e) How soon after the cut-off date will the following be sent:**

**i. The full reconciliation plan**

Full reconciliation statements are sent within seven business days, since it is mailed with the full reconciliation report.

**ii. Bank statements**

Bank statements are sent within seven business days, since it is mailed with the full reconciliation report.

**iii. Canceled checks (or microfilm/CD-ROM)**

Full reconciliation canceled checks are sent within seven business days.

**iv. Reconciliation information**

Full reconciliation information is sent within seven business days once Wachovia receives the issue information. Wachovia's ARP WebAccess

allows you to access your reconciliation reports via the Internet, thereby getting you the reports sooner. These PDF reports are viewable the day following our reconciling your account(s).

- (f) Can the bank return a file to the accounting, ERP and/or TWS system(s) that show all wire transfers, ACH/bulk payments, drafts and checks that have cleared the accounts? Describe.**

Yes. This information is available as a daily BAI formatted (variable-length and comma delimited) file. Wachovia's account reconciliation system can also provide an output file containing paid checks and non-check items (shown as miscellaneous debits and credits).

- (g) Explain whether copies or images of checks can be requested on-line. If yes, how are they delivered? What is the turnaround time?**

Check images are available online for viewing or printing via Wachovia Connection<sup>®</sup>, our Internet-based information reporting and transaction initiation service. You may access up to seven years of your check images. Additionally, you may receive your check images via CD-ROM or transmission and build your own image archive. Wachovia provides proprietary Image Workstation software that can be used to view images received via CD-ROM or transmission.

- (h) What is the bank's cut-off time for:**

- i. Receiving issued check files (for full reconciliation)? Give schedule and explanation.**

Issue file transmissions must be received before 8 p.m. ET to be included in the nightly batch update for account reconciliation. Transmissions received later than 8 p.m. ET are held until the following night for batch processing.

For Positive Pay customers, we offer multiple intra-day windows for you to update your authorized check issue information. Our Full Reconciliation service is updated with issuance information received through these intra-day windows.

These intraday updates include all files transmitted by the City of Philadelphia since the previous update and all issues/voids keyed via Wachovia Connection<sup>®</sup>. Data for these updates is gathered 15 minutes prior to each update.

For full reconciliation, all issue data is expected within five business days after the bank statement cutoff date. For accounts with our Positive Pay Service and which will likely have checks presented for cash at our banking centers, issue records must be received to meet one of the above intraday updates and prior to checks being brought to our Financial Centers (branches). If we don't receive the issue records prior to checks being taken to our banking centers, tellers are not able to validate the checks and therefore do not cash them. Generally, we should be able to cash checks 10 minutes after the update is started.

The City of Philadelphia may use Wachovia Connection Plus's or Advantage's Account Reconciliation module to submit issue records for checks written manually and not included in regular issue transmissions. The account reconciliation module can also be used to submit voided records. This information must be received before 8 p.m. ET for inclusion in the nightly batch update for account reconciliation. Also, issue/void transactions entered manually will be included in intraday updates for Financial Centers (branches).

**ii. Receiving adds and deletes? Describe.**

Additions and deletions must be received before 8 p.m. ET to be included in the nightly batch update for account reconciliation. Transmissions received later than 8 p.m. ET are held until the following night for batch processing. Also, issue/void transactions entered manually are included in intraday updates for Financial Centers.

**iii. Receiving manual issues? Describe.**

Manual issues must be received before 8 p.m. ET to be included in the nightly batch update for account reconciliation. Transmissions received later than 8 p.m. ET are held until the following night for batch processing. If these manual issues are on Positive Pay accounts and the checks may be cashed at Wachovia banking centers, we need the manual check information 24 hours prior to the checks being cashed. We need the manual check information within 24 hours of check issuance for checks that won't be cashed. Manual items can be transmitted in a separate file or entered online via Wachovia Connection by the cutoff time.

**iv. Transmitting reconciled check files (for full reconciliation)? Describe:**

Wachovia transmits reconciled check files for full reconciliation within seven business days (by 8a.m. ET), upon receipt of the cycle ending issue file.

**(h) Does your system provide for electronic confirmation of receipt for daily file transmissions? If yes, describe.**

Files received or sent can be confirmed via an e-mail alert showing the total number of records.

**(i) Describe the bank's encryption standards for inbound and outbound file transmission. Describe.**

Within Internet FTP file transfers, encryption is an option. Files may also be transferred to the Bank via a Wachovia secure Web site. For dial-up communications encryption is not available.

FTP file transfers can be encrypted by way of encrypted routers or PGP compatible encryption software. If data is to be transferred via a direct transmission, encrypted routers and encrypted data are required.

**(j) Are there any volume limitations for receiving check image detail? Describe.**

There are no volume limitations for receiving check image detail via CD-ROM, transmission or Internet access. Depending upon volume, one medium might be more appropriate than another for receiving images. We recommend using Wachovia Connection ® for immediate decisions and customer service needs and using CD ROM or transmission for long term retention.

**(k) Can your system index according to a miscellaneous field that captures a payee identifier (e.g., social security number, vendor number, account number)? Describe.**

No. Wachovia's image index file consists of the following:

- Bank Number
- Routing Transit Number
- Account Number
- Check Number
- Amount
- Sequence Number
- Posted Date



We offer searches on the following fields:

- Account Number
- Check Number
- Amount
- Sequence Number
- Posted Date

## **9. Image Processing**

### **(a) Describe the bank's current or planned image processing capabilities.**

Yes. Wachovia provides image capture of all paid items. Wachovia is a prime pass image capture bank, which is a distinct advantage in that images are captured on the initial point of entry rather than requiring a separate processing step. All on-us disbursement items are captured and stored in our image archive for seven years. Images reside on disk for 60 days and high-speed tape for the remainder of the seven years.

### **(b) Explain whether copies or images of checks can be requested on-line. If yes, how are they delivered?**

The City of Philadelphia can request copies or images of checks via Wachovia Connection or through the Customer Service Department. Copies of checks are delivered via mail and images are available online.

### **(c) What is the turnaround time to receive:**

#### **i. A copy or image of a check?**

Internet images of controlled disbursement checks presented for payment are available within four hours of capture through Wachovia Connection<sup>®</sup>. Transmissions are available next day via a variety of communication channels, and CD-ROM images can be provided weekly or monthly or based on your statement or fiscal cutoff. Internet inquiry is accessed using standard Web browsers. CD-ROM images are accessed by Wachovia's proprietary software.

#### **ii. The original check (if stored on-site)?**

N/A. Checks are destroyed after a period of time.

#### **iii. The original check (if truncated and stored off-site)?**

N/A. Checks are destroyed after a period of time.

## 10. Wire Transfer Services

**(a) Briefly describe all wire transfer initiation products currently supported by the bank.**

Wachovia can support its customers' wire transfer activity via a variety of initiation methods. The most commonly used methods for initiating wire transfers are as follows:

- Wachovia Connection<sup>®</sup> (our Internet-based transaction and information reporting service) – offers a secure platform for:
- Integrated Payables — allows customers to transmit a file of wire payment instructions for the Bank to process
- Telephone
- Standing Transfer Orders — standing instructions to originate wire transfers based on specific criteria

**(b) Does the bank's system offer self-administration for user maintenance and user deletes via the Internet and/or PC method? If so, please list the user functions that are available.**

Wachovia Connection<sup>®</sup> is our Internet-based transaction and information reporting service. The City of Philadelphia establishes two System Administrators who are given user identification numbers and passwords in order to access the Payment Services module via Wachovia Connection. These Administrators are responsible for establishing and maintaining wire transfer security within your organization. Each employee accessing the wire transfer module may be assigned secured access by:

- function (i.e., initiation, approval and release, inquiry and cancel)
- dollar limit
- specified account and template

Initiation, approval and release of wire transfer instructions are through Wachovia Connection and can be performed by authorized users only.

**(c) What are the opening hours and the cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution? List by type of transfer and method of communication.**

Type of Transfer	Input Method					
	Phone/ Voice	Fax	Internet	CPU to CPU	Automatic Standing Transfer *	Telex
Intradistrict (within Federal Reserve district)	5 p.m. ET	5 p.m. ET	5:30 p.m. ET	5 p.m. ET	8:30 a.m. ET	4 p.m. ET
Interdistrict (among districts)	5 p.m. ET	5 p.m. ET	5:30 p.m. ET	5 p.m. ET	8:30 a.m. ET	4 p.m. ET
Book transfer/ Internal	5 p.m. ET	5 p.m. ET	5:30 p.m. ET	5 p.m. ET	8:30 a.m. ET	4 p.m. ET
Drawdown	4:30 p.m. ET	4:30 p.m. ET	5:30 p.m. ET	5 p.m. ET	8:30 a.m. ET	N/A
International	4 p.m. ET		5 p.m. ET***	5 p.m. ET***	8:30 a.m. ET	4 p.m. ET***

\* Unless you request a specific time, all Automatic Standing Transfers are released at 8:30 a.m. ET.

\*\* Drawdown requests should be originated as early in the day as possible so that inbound wires are received the same day.

\*\*\* Wachovia accepts requests after cut-off times; however, the value date may change due to Foreign Exchange.

Wachovia suggests that customers initiate tax payments by 4 p.m. ET to meet the 5 p.m. ET tax payment deadline.

**(d) What is the cut-off time for incoming domestic wire transfers to receive same day credit?**

The cut-off time for same day credit of incoming domestic wire transfers is 6 p.m. ET.

- (e) Describe the bank's procedure for providing payment confirmation information (e.g. reference numbers) upon acceptance and execution of the payment order; including the availability and method of delivery of internal confirmation/sequence number and Federal Reserve reference number.**

Both the internal and the Fed/CHIPS reference numbers are available immediately upon execution of the wire to the Federal Reserve or CHIPS. Delays could be caused if the wire needs repair due to inaccurate routing information or if it requires credit approval. The confirmation and Fed/CHIPS reference number can be obtained via Wachovia Connection<sup>®</sup>, or by transmission of information via our Integrated Payables service. The latter service can transmit this data to you either hourly or every 15 minutes.

- (f) Does the bank have an on-line repetitive wire transfer setup function? If yes, describe.**

Yes. Wachovia Connection<sup>®</sup> has an online repetitive wire line-sheet and/or template setup functionality. Yes. When your Security Administrator assigns template authority, the user can create a template on Wachovia Connection. No additional paperwork is required for this transaction initiation system since you maintain all of the security functions in-house. Yes. The City of Philadelphia can assign its own transfer numbers or names via Wachovia Connection. It takes about two minutes or less to set up a new repetitive wire template via Wachovia Connection<sup>®</sup>. The City of Philadelphia receives confirmation from Wachovia upon completion and approval of the template setup.

- (g) What are the bank's repair rates for incoming and outgoing wires? List domestic and international repair rates separately.**

Repair rates depend on the quality of instructions received. Approximately 20 percent to 30 percent of incoming and outgoing wires need repair. Wachovia does not track repair rates for domestic and international wires separately.

- (h) Under what circumstances do incoming and outgoing wires require repair?**

Incoming wires may require repair if the payee or account number is not clearly identifiable (funds may be returned if not identifiable); outgoing wires require repair if the transit routing number is incorrect or if the transfer does not meet the Fedwire/CHIPS formats.

- (i) What methods of wire transfer information reporting are available to customers (e.g., telephone, Internet, e-mail, PC-based, CPU to CPU)? Describe each reporting method available.**

Wire transfer reporting is available through Wachovia Connection<sup>®</sup>, our browser-based Internet platform. Incoming and outgoing wire transfer information is available. In addition, our Integrated Receivables service can provide wire information via e-mail, fax, a mailed report or data transmission.

- (j) What detailed information is provided on incoming and outgoing wire transfers on a current day basis (e.g., amount, payor, comment field, date received, time received, and Federal Reference number)? Provide sample reports**

We provide current-day reports that contain the following detailed information:

- control number
- Fed reference number
- amount, originator or beneficiary
- time received or released
- sending or receiving bank information
- payment information

Sample reports are available in Appendix.

- (k) Can the system export reports in various file formats to the customer's other management systems? If yes, describe what formats are available?**

Wachovia Connection<sup>®</sup> customers can generate a comma delimited or BAI Version 2 export of high-level wire transfer data. Data includes the advice number, beneficiary name, date and dollar amount of the wire.

- (l) Can individual users be granted different levels of access to Web-based information reporting (e.g., cash manager has access to daily cash management reports, accounting and collections have access only to daily receipts)? If yes, describe.**

Yes. With Wachovia Connection<sup>®</sup>, the City's Security Administrators have the ability to set up new users and establish security access to products, functions and accounts. User access restrictions can be based on:

- accounts to be accessed

- reports to be reviewed
- wire transfer templates to be used
- wire transfer functionality (i.e. input, approve, release, etc).

**(m) What levels and types of security safeguards exist when initiating and releasing wires for the following methods: Fax, telephone, PC/internet, CPU to CPU?**

**a. Telephone /Voice**

Authentication is required for all methods. PINs and callbacks (we call a secondary authorized person at the City of Philadelphia to verify requests) are required for telephone-initiated wires.

**b. Fax**

Authentication is required for all methods. PINs and callbacks are required to process wire transfers requested via fax.

**c. PC**

Wachovia Connection<sup>®</sup> enables you to use your PC and browser to initiate wires via the Internet. This service utilizes the industry's most common browser tool sets, including Microsoft Internet Explorer and Netscape Navigator. You are able to connect to Wachovia Connection 24 hours a day, seven days a week through the Internet using a 128-bit browser encryption. While offering the same type of features that make browser software easy to use, Wachovia employs firewall protection, encryption and message authentication standards and server side certificates.

In addition, Wachovia requires entry of a User ID and password so that only your authorized users can access this system. Users will receive a token to further secure access to the Wachovia Connection service. The token generates a unique number that only the person assigned to that token can use. That number can then be entered into the Wachovia Connection web site to authenticate the user. The number changes every few seconds to guarantee that only the user with the correct ID/password and token (physically in hand) can log in to the service. Customers can also use an Internet authentication either to complement or in lieu of the token. With Internet authentication, users are asked six questions when they initially log in to the service. Going forward, two of the six questions are randomly generated and must be

answered correctly before login is granted.  
Example of the token.



Once logged in to the system, users are able to view and access only those functions for which their User IDs are authorized. Customers have the ability to set up users by function, user amount limit and debit account. A second user is required for review and release authorization.

The Payments module of Wachovia Connection is set up in a dual control environment to assure the appropriate levels of approval are made before payments are released.

Additional information regarding Wachovia Connection's security can be found in Appendix.

**e. Internet**

Wachovia Connection utilizes the industry's most common browser tool sets, including Microsoft Internet Explorer and Netscape Navigator. You are able to connect to Wachovia Connection 24 hours a day, seven days a week through the Internet using a 128-bit browser encryption. While offering the same type of features that make browser software easy to use, Wachovia employs firewall protection, encryption and message authentication standards and server side certificates.

In addition, Wachovia requires entry of a User ID and password so that only your authorized users can access this system. Users will receive a token to further secure access to the Wachovia Connection service. The token generates a unique number that only the person assigned to that token can use. That number can then be entered into the Wachovia Connection web site to authenticate the user. The number changes every few seconds to guarantee that only the user with the correct ID/password and token (physically in hand) can log in to the service. Customers can also use an Internet authentication either to complement or in lieu of the token. With Internet authentication, users are asked six questions when they initially log in to the service. Going forward, two of the six questions are randomly generated and must be answered correctly before login is granted.

Example of the token.



Once logged in to the system, users are able to **view and** access only those **functions** for which their User IDs are authorized. Customers have the ability to set up users by function, user amount limit and debit account. A second user is required for review and release authorization.

The Payments module of Wachovia Connection is set up in a dual control environment to assure the appropriate levels of approval are made before payments are released.

Additional information regarding Wachovia Connection's security can be found in Appendix.

**f. CPU to CPU**

This process is fully encrypted and authenticated. Customers are required to provide control data via fax or transmission.

**(n) Does the bank offer its customers dual control release options (intermediary approval level) for electronically initiated transfers? If yes, describe.**

Yes. Dual control in that a secondary operator at the City of Philadelphia is required to verify, approve and release an initiated wire instruction is recommended for transactions initiated through Wachovia Connection. Customers may choose to require up to nine levels of approval.

**(o) Are CPU or PC transmissions to the bank encrypted or authenticated? If yes, describe.**

Yes. CPU and PC transmissions to the Bank can be encrypted. Wachovia supports hardware and software encryption. Hardware encryption secures the link being utilized to transfer the data. Software encryption secures the actual data being transferred.

Authentication is supported but is dependent upon the encryption process you use.



Wachovia has a dedicated transmission department that monitors transmissions. We utilize intrusion detection software to guard against attacks on our networks. Any detection of a problem is communicated to Wachovia's Information Security Department and you.

**(p) Describe the security measures for the Master User/Security Administrator. Can the system require dual Security Administrators?**

Wachovia establishes two Security Administrators for companies using Wachovia Connection<sup>®</sup>. The System Administration Module allows your Security Administrator to maintain each user's security, reset user passwords and maintain group security all in a real-time environment. In addition to setting security at the user level, security can be set by dollar amount and account. Users can be set up so that they are able to initiate only certain types of transactions (i.e. ACH, freeform wire transfer, drawdown wire transfer, etc.).

Systems Administrators can also easily create user groups whose members all have the same rights without having to set up each individual user. This is helpful to some customers who want different business units to have different functionality/access levels. As the City's security needs change, your Administrators can add or delete group members or modify the rights assigned to each group.

The Security Administrator has the ability to:

- Maintain users
- Establish security access at the user level to products, functions and accounts
- Create user groups within an organization
- Reset user access and passwords
- Maintain account names
- Maintain payment services initiation and approval limits

These security administrators also have access to an audit report that monitors user activity on the product.

**(q) Does the bank offer the following methods of initiation? For telephone, fax, PC, Internet, CPU to CPU, and Automatic standing transfer describe the process of initiation, approval and release as well as the number of customers using each of the methods.**

**a. Telephone**

Yes. Wachovia does offer telephone wire initiation. We have over 10,000 customers

initiating wire transfers via telephone.

To initiate a wire transfer via telephone, the City must call our Customer Service Center and provide your PIN (Personal Identification Number) and transfer instructions. Our Customer Service Representative enters the information into the wire system, first verifying all information with you and then providing a control number. Further verification is done with the City through the use of call-backs. Once completed, the wire is released using the appropriate routing to the receiving bank.

Please note: All conversations are recorded as a security measure.

**b. Fax**

Yes. The number of customers currently initiating wires via fax is not tracked.

Customers sending Wachovia wire instructions via fax must verify those instructions by using callbacks and PINs (Personal Identification Numbers) before we release the wire(s). Additional security procedures can be tailored to the City's needs based on the dollar limits and preferences.

**c. PC**

Yes. Customers can utilize any PC with Internet access and log in to Wachovia Connection<sup>®</sup>, our Internet-based balance reporting/transaction initiation service, to initiate wires. There are currently more than 10,000 customers utilizing this front-end platform to initiate wires.

**PC/Internet**

Wachovia Connection<sup>®</sup> is our Internet-based transaction and information reporting service. The City establishes two System Administrators who are given user identification numbers and passwords in order to access the Payment Services module via Wachovia Connection. These Administrators are responsible for establishing and maintaining wire transfer security within your organization. Each employee accessing the wire transfer module may be assigned secured access by:

- function (i.e., initiation, approval and release, inquiry and cancel)
- dollar limit
- specified account and template

**d. Internet**

Yes. There are currently more than 10,000 customers initiating wires via Wachovia Connection.. Please see response for release information.

**e. CPU to CPU**

Yes. Wachovia has approximately 120 customers using our Integrated Payables service to initiate wire transfers by transmitting a file of payment instructions directly to the Bank for further processing.

The City can transmit a batch file to Wachovia via direct transmission, VAN or Internet. Authentication and software or hardware encryption is required, and you can fax or transmit to us control total information that is used for verification prior to our releasing the wires. You initiate and verify the request prior to transmitting the file to the Bank, and we release the wires once Operations has confirmed the control totals.

**f. Automatic standing transfer**

Yes. Customers can establish standing instructions for wire transfers in which they provide us with specific criteria to automatically generate their wires. Wachovia has over 1,000 customers using this service.

- (r) Do any of the methods listed above provide for remote user initiation or release, (e.g., if branches/subsidiaries wish to input, but home office wants the control of release? If yes, describe by method.**

Yes. All of the initiation methods, with the exception of CPU-to-CPU, give you the ability to have employees at one location authorized to initiate wires and other employees at a different location authorized to verify wires.

- (s) Does the bank provide end of daytime extensions for processing if Fedwire hours are extended? If yes, how would we be advised?**

Wachovia does not automatically provide daytime extensions for processing if Fedwire hours have been extended. However, we work with customers on a case-by-case basis if they experience difficulties meeting the standard deadlines.

- (t) How soon after wire execution would an internal bank confirmation/sequence number (not the Federal Reference number) be available?**

Wachovia's internal bank confirmation/sequence number is available immediately upon release of the wire.

- (u) How long does it take the Federal Reference number to be available for a wire assuming no repairs are needed and there are sufficient funds in the account? Explain any delays.**

The Fed/CHIPS reference number is available to you immediately upon release of the wire to the Federal Reserve/CHIPS.

- (v) **How is the status of transfers tracked by the customer once the transfer is in the system (input, approved, released)? How does this differ for telephone initiated wire transfers?**

Wachovia's wire system tracks every function throughout the process by time stamping each step. The time stamp begins once you or a Wachovia Customer Service Representative enters the wire request. The City of Philadelphia can request the status (accepted, requires verification or released) via our Wachovia Connection<sup>®</sup> service. The status of telephone-initiated wires can be obtained by calling the Wire Department. Integrated Payables customers are supplied with a confirmation as soon as the payment is remitted.

- (w) **How and when is the customer notified of wire transfer that is rejected by the receiving bank?**

Should a wire be rejected by the beneficiary's bank, every attempt is made to notify you, by phone, as soon as a failure is recognized.

- (x) **Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wire transactions? If so, what are the limitations? How many days/months in advance? Is the warehouse function limited to certain types of wire transfers and/or certain types of initiation methods? Explain.**

Future dated wires are available for all initiation methods and are not limited to certain types of wire transfers. USD payments initiated via telephone can be initiated 27 days in advance of the effective date. USD wires created via Wachovia Connection<sup>®</sup> and our Integrated Payables service can be stored for up to 45 days and foreign currency wires up to six days in advance.

- (y) **Can the customer structure a new repetitive wire transfer number on-line without relying on an exchange of paper documents with the bank? If yes, describe.**

Yes. When your Security Administrator assigns template authority, the user can create a template on Wachovia Connection. No additional paperwork is required for this transaction initiation system since you maintain all of the security functions in-house.

- (z) **Can the customer assign its own transfer numbers or names? If yes, describe.**

Yes. The City of Philadelphia can assign its own transfer numbers or names via Wachovia Connection.

- (a2) **Are repetitive transfers stored on the customer's PC or the bank's system? Can the transfers be stored on both? Explain. Does the bank charge for repetitive transfer template storage on its system?**

With Wachovia Connection®, customers are responsible for establishing line-sheets or templates, but the templates are stored on Wachovia's servers. Line-sheets or templates cannot be stored on the City's PC. Currently, there is no charge for repetitive template storage.

- (b2) **Is historical information available on the system? How many days of history are available? Provide sample reports. If yes, describe.**

Yes. Historical information on incoming and outgoing wires is available via the Electronic Funds Transfer Advice Report on Wachovia Connection® and provides information for up to 62 calendar days.

- (c2) **Does the system provide for history query by date ranges?**

Yes. Date range inquiries are available for historical information only via the Interim Account Statement Report, which provides a summary level of information on wire transfers for up to 90 days in the past.

- (d2) **Does the system allow history retention to be determined by the customer?**

No. Customers cannot choose the maximum amount of history available. However, by using Wachovia Connection, you can save Electronic Funds Transfer Advice Reports into Microsoft Word for historical record keeping or download the summary level reports in BAI Version 2 or comma delimited formats and retain that information for as long as it is needed.

- (e2) **Does the bank have the ability to provide the customer with a download of historical data?**

Yes. Wire transfer summary level information can be downloaded in comma-delimited and BAI Version 2 formats.

## **11. Overdraft/Zero Balance**

- (a) **Currently, the City of Philadelphia's Payroll Account is zero balanced to another account. Can my bank meet this requirement?**

Yes.

- (b) **Does the bank offer zero balance sub-accounts that may be funded automatically from a designated funding account? If yes, discuss conditions, if any.**

Yes, the funding of Wachovia Zero Balance Accounts is automatic. All accounts in a zero balance account structure must be housed in the same state. Yes. There is a 9,998 limit to the number of sub accounts assigned to a parent. Wachovia offers up to four tiered zero balance sub accounts that may be funded automatically from a single master account. The master account must be located in the same state as any account that it is designated to fund.

- (c) **Where will the funding account be located and what transfer mechanism funds the subsidiary account, if not automatic? Is there a daily cap on fees? Discuss:**

The funding is automatic. A daily cap on overdraft fees is not applicable.

- (d) **Is interest assessed on overdrafts? If yes, how is the interest rate calculated for overdrafts?**

Overdraft fees are calculated according to the following formula:  
 $(\text{Overdraft amount}) \times (\text{rate}) \times (\# \text{ of days}/360)$

- (e) **What procedures are used to resolve overdrafts caused by funding failures as a result of:**

**i. Improper funding by the customer?**

Overdrafts caused by improper funding are monitored daily by the Relationship Manager.

**ii. The bank's error or delay in notification?**

Overdrafts resulting from bank error are corrected internally and any associated overdraft charges are waived or reversed.

**iii. A Federal Reserve problem?**

Federal Reserve problems are handled as a bank error. Customers are not responsible for absorbing any related overdraft charges.

**(f) Are these fees a direct charge or can they be offset by the earnings credit allowance?**

To the extent that balances are available, they can be used to offset overdraft charges on your Account Analysis. Once balance compensation is depleted, the accounts are assessed an Account Analysis fee or service charge which may be invoiced or direct debited.

**(g) Describe the methods (e.g., Internet, PC, manually) the bank offers to place stop payments.**

Wachovia Connection<sup>®</sup>, our Internet-based information reporting service, can provide you with online access to enter and delete stop payment requests and to initiate photocopy requests. As soon as a stop payment is issued online, it becomes active in Wachovia's internal and teller systems. Wachovia Connection automatically provides the City of Philadelphia with immediate online confirmation of requests.

In the event your online access is unavailable, stop payments can be placed manually from 7 a.m. ET to 7 p.m. ET by contacting Wachovia's Customer Service Group or your Relationship Specialist.

If the City of Philadelphia has a high volume of stop payment activity, you can send us your stops via bulk file. Transmissions must be received no later than 8 p.m. ET and updates occur once daily. Confirmations of bulk stops are available.

**(h) Discuss the bank's ability to interface directly with the accounting system, enterprise resource planning (ERP) system that the City uses.**

Wachovia's file formats and record layouts are generally flexible enough to interface with the City of Philadelphia's accounting systems. With the exception of Payee Match Positive Pay files, we do not mandate that you use our "standard" record layouts; we can modify the record layout within our allowable parameters to interface with your systems.

**(i) With regards to Positive Pay, what is the response deadline for the customer's pay/return decisions?**

The response deadline for your pay or return decisions is 2 p.m. ET, the day the item is reviewed as an exception.

**(j) Describe all methods by which the bank can send manual issues or deletes to the bank.**

Manual entries are sent via Wachovia Connection<sup>®</sup> or data transmission.

**(k) In the event that the bank does not receive the customer's pay decision response by the stated deadline, is the default disposition set by the bank or by the customer? If the bank sets the default, what is the default disposition (e.g., pay, return, optional)?**

The City of Philadelphia must choose "return all" or "pay all" as the default decision if exception suspect items are not dispositioned by the 2 p.m. ET deadline.



**APPENDIX B—BANKING SERVICES**

**1. Services to the City of Philadelphia Account(s):**

**(a) Identify Branch(s), Office(s), or Deposit pick-up service(s) and other banking support service that would be available to the City accounts.**

Being that we are the incumbent bank, The City will continue to enjoy the convenience of uninterrupted Deposit pick-up service along with the many other services The City currently utilizes.

**(b) Does your bank or institution currently provide these services?**

	Yes	No
Commercial Banking	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Governmental Banking	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cash Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Treasury Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Corporate Trust	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Custody	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other Services (list below)		
Merchant Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Purchasing Cards	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(a) Provide a listing of the financial institution’s relationship team, which may include representatives from cash management, investment management, trust, public finance, and community development.**

Name of Contact Personnel	Title	Phone	Fax	E-mail
Donn Scott	EVP	215.670.4470	215.670.4480	donn.scott@wachovia.com
Carlo Borgia	SVP	610.891.1002	610.565.0451	carlo.borgia@wachovia.com
Margie James	RS	215.670.4477	215.670.4480	margaret.m.james@wachovia.com

<b>Yvonne Hunter</b>	Alternate RS	215.670.4472	215.670.4480	yvonne.hunter@wachovia.com
<b>Frances Drinker</b>	Alternate RS	610.397.2530	610.397.2535	frances.dinker@wachovia.com
<b>Bob Eggstein</b>	SVP	856.833.1220		bob.eggstein@wachovia.com
<b>MaryLou Higgins</b>	VP	856.833.1201		marylou.higgins@wachovia.com
<b>Sandra Byrd-Smith</b>	TSA	610.397.2620		sandra.byrdsmith@wachovia.com
<b>Julius Coursey</b>	Director	215.973.6882		julius.coursey@wachovia.com
<b>Keith Nilsen</b>	NOT FOUND			
<b>Richard Starr</b>	AVP	610.225.2021		richard.starr@wachovia.com
<b>Kevin Dow</b>	VP	215.670.4306		kevin.dow@wachovia.com
<b>Denise Armbrister</b>	SVP	215.670.4310	215.670.4313	denise.m.armbrister@wachovia.com
<b>Tom Esser</b>	SVP	215.670.6579		thomas.esser@wachovia.com
<b>Albert Bommentre</b>	VP	610.766.2679		albert.bommentre@wachovia.com

## **APPENDIX C-IMPLEMENTATION PLAN**

Vendor should include in this Appendix or in their response, all documentation necessary to convey an implementation plan, and relevant benchmarks with associated dates. Limit to four double spaced pages.

Given that Wachovia is the incumbent bank, there will be no interruption in your current services. Should you decide to implement new services, we will work closely with you to ensure a seamless implementation.

## **APPENDIX D – COST PROPOSAL REQUIREMENTS**

**1. Can the applicant offer a “no cost” proposal or describe how fees would be invoiced or suggest method of payment? (Respondents should note that the City is not subject to federal, state, or local sales or use taxes or to federal excise tax. The cost proposal may not include any such taxes. )**

Wachovia’s current arrangement with the City of Philadelphia would stand – fees will be offset by balances, any net positive fees will be billed annually, and the City will continue to benefit from exception pricing on a variety of line items.

**2. Provide price per unit or service for each line item in the table on the next page. Note the estimated monthly volume for each of the accounts below. Note: Account analysis from the current Vendor provides February 2007 data for each of the four accounts and represents typical monthly volume for the City.**

### **City of Philadelphia Payroll Accounts**

- A. Payroll Disbursement Account
- B. Concentration Disbursement Account
- C. Payroll Deduction Adjustment Account
- D. Supplemental Payroll

ITEM DESCRIPTION	ESTIMATED MONTHLY VOLUME				PRICE PER UNIT/SERVICE				
	A	B	C	D	Monthly	One Time Cost	Per Year	1st Year	Subsequent Three Years
<b>PAPER DISBURSEMENTS</b>									
Checks Paid-Controlled Disbursement	17,163				\$ 0.05		\$10,297.80	\$10,297.80	\$ 30,893.40
Cont Disbursement Maintenance Additional Accounts	1				\$ 57.00		\$ 684.00	\$ 684.00	\$ 2,052.00
Paid Item Rejects Thru 1%	78				\$ 0.33		\$ 308.88	\$ 308.88	\$ 926.64
Cont Disb-Teller Cashed Float	8,146				\$ -		\$ -	\$ -	\$ -
CDA Obsolete RT or Account Usage	1				\$ -		\$ -	\$ -	\$ -
<b>PAPER DISBURSEMENT TOTAL</b>	<b>25,389</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>\$11,290.68</b>	<b>\$11,290.68</b>	<b>\$ 33,872.04</b>
<b>INTEGRATED PAYABLES &amp; RECEIVABLES</b>									
Returns Reporting Email Reports	5				\$ 1.00		\$ 60.00	\$ 60.00	\$ 180.00
<b>INTEGRATED PAYABLES &amp; RECEIVABLES TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>\$ 60.00</b>	<b>\$ 60.00</b>	<b>\$ 180.00</b>
<b>PAID CHECK IMAGE</b>									
Paid Check Image Maintenance	1				\$ 10.00		\$ 120.00	\$ 120.00	\$ 360.00
Paid Check Image: CD ROM per item	17,163				\$ 0.005		\$ 1,029.78	\$ 1,029.78	\$ 3,089.34
Paid Check Image: CD ROM PER CD	2				\$ 11.00		\$ 264.00	\$ 264.00	\$ 792.00
<b>PAID CHECK IMAGE TOTAL</b>	<b>17,166</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>\$ 1,413.78</b>	<b>\$ 1,413.78</b>	<b>\$ 4,241.34</b>
<b>ACCOUNT RECONCILEMENT</b>									
Outstanding Issue Items on File	2,301				\$ -		\$ -	\$ -	\$ -
Positive Pay Monthly Maintenance	1				\$ 5.00		\$ 60.00	\$ 60.00	\$ 180.00
Full Reconciliation Per Item	17,164				\$ 0.02		\$ 4,119.36	\$ 4,119.36	\$ 12,358.08
Account Region Output Transmission	1				\$ 15.00		\$ 180.00	\$ 180.00	\$ 540.00
Full Repon Monthly Maintenance	1				\$ 45.00		\$ 540.00	\$ 540.00	\$ 1,620.00
ARP Payee Match Positive Pay/Item	17,164				\$ 0.02		\$ 4,119.36	\$ 4,119.36	\$ 12,358.08
POIS Pay Exception Item Image	16				\$ -		\$ -	\$ -	\$ -
Postage/Mailing -- 1st CL/UPS/Priority	1				\$ 3.00		\$ 36.00	\$ 36.00	\$ 108.00
Outgoing Transmission Detail Per IT	30,305				\$ 0.0025		\$ 909.15	\$ 909.15	\$ 2,727.45
ARP Paid -- No Issue Items	130				\$ -		\$ -	\$ -	\$ -
Positive Pay Exceptions	5				\$ -		\$ -	\$ -	\$ -
ARP Internet Access Maintenance	1				\$ -		\$ -	\$ -	\$ -
ARP Notification Service	1				\$ -		\$ -	\$ -	\$ -

ITEM DESCRIPTION	ESTIMATED MONTHLY VOLUME				PRICE PER UNIT/SERVICE				
	A	B	C	D	Monthly	One Time Cost	Per Year	1st Year	Subsequent Three Years
ARR Paper Reports	1				\$ -		\$ -	\$ -	\$ -
ARR Adv Issue	32				\$ 0.32		\$ 122.88	\$ 122.88	\$ 368.64
ARR Adv Check Cancel	28				\$ 0.32		\$ 107.52	\$ 107.52	\$ 322.56
<b>ACCOUNT RECONCILEMENT TOTAL</b>	<b>67,152</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>\$ 10,194.27</b>	<b>\$ 10,194.27</b>	<b>\$ 30,582.81</b>
<b>ONLINE BANKING CONNECTIONS</b>									
PD Item 1-3	800	110	240	77	\$ 0.01		\$ 147.24	\$ 147.24	\$ 441.72
PD Item Additional	17,299				\$ 0.015		\$ 3,113.82	\$ 3,113.82	\$ 9,341.46
Stop Payment	18	3	1		\$ 1.00		\$ 264.00	\$ 264.00	\$ 792.00
<b>TOTAL</b>	<b>18,117</b>	<b>113</b>	<b>241</b>	<b>77</b>			<b>\$ 3,525.06</b>	<b>\$ 3,525.06</b>	<b>\$ 10,575.18</b>
<b>GLOBAL WIRE TRANSFER</b>									
Account Transfer			1		\$ 1.00		\$ 12.00	\$ 12.00	\$ 36.00
Domestic Wire			59		\$ 5.00		\$ 3,540.00	\$ 3,540.00	\$ 10,620.00
Incoming Wire	2				\$ 2.00		\$ 48.00	\$ 48.00	\$ 144.00
Book Transfer			19		\$ 1.00		\$ 228.00	\$ 228.00	\$ 684.00
Book Transfer Credit	14		10	5	\$ 1.00		\$ 348.00	\$ 348.00	\$ 1,044.00
Wire Transfer Advice	16		10	5	\$ -		\$ -	\$ -	\$ -
Wire Template Storage	3	1	24	2	\$ -		\$ -	\$ -	\$ -
Debits Posted			78		\$ 0.25		\$ 234.00	\$ 234.00	\$ 702.00
Deposits	16		10	5	\$ -		\$ -	\$ -	\$ -
<b>GLOBAL WIRE TRANSFER TOTAL</b>	<b>51</b>	<b>1</b>	<b>211</b>	<b>17</b>			<b>\$ 4,410.00</b>	<b>\$ 4,410.00</b>	<b>\$ 13,230.00</b>
<b>GENERAL SERVICES</b>									
Deposits			1	3	\$ 0.09		\$ 4.32	\$ 4.32	\$ 12.96
Checks Paid			119	49	\$ 0.05		\$ 100.80	\$ 100.80	\$ 302.40
Checks Returned with Statement:			1	1	\$ -		\$ -	\$ -	\$ -
Multiple Statements			1	1	\$ -		\$ -	\$ -	\$ -
Account Maintenance		1	1	1	\$ 15.00		\$ 540.00	\$ 540.00	\$ 1,620.00
Non-Depositor Check Cashing Fee			1	4	\$ -		\$ -	\$ -	\$ -
Sub Account Maintenance			1	1	\$ 5.00		\$ 120.00	\$ 120.00	\$ 360.00
Deposited Items			7	3	\$ 0.13		\$ 15.60	\$ 15.60	\$ 46.80

ITEM DESCRIPTION	ESTIMATED MONTHLY VOLUME				PRICE PER UNIT/SERVICE				
	A	B	C	D	Monthly Cost	One Time Cost	Per Year	1st Year	Subsequent Three Years
Master Account Maintenance		1			\$ 5.00		\$ 60.00	\$ 60.00	\$ 180.00
<b>GENERAL SERVICES TOTAL</b>	0	4	132	63			\$ 840.72	\$ 840.72	\$ 2,522.16
ACH		86					\$ -		\$ -
Miscellaneous Items Paid			16	7	\$ 0.02		\$ 5.52	\$ 5.52	\$ 16.56
File Processed		6			\$ 2.50		\$ 180.00	\$ 180.00	\$ 540.00
File or Item Update		8			\$ 2.00		\$ 192.00	\$ 192.00	\$ 576.00
Deposits		2			\$ 0.02		\$ 0.48	\$ 0.48	\$ 1.44
Maintenance		1			\$ 52.00		\$ 624.00	\$ 624.00	\$ 1,872.00
ACH Returns		7			\$ 0.08		\$ 6.72	\$ 6.72	\$ 20.16
ACH Control		1			\$ -		\$ -	\$ -	\$ -
ACH Originated Items - PPD Credit	45818				\$ 0.02		\$ 10,996.32	\$ 10,996.32	\$ 32,988.96
Notifications of Change	33				\$ 0.05		\$ 19.80	\$ 19.80	\$ 59.40
Control Total Entry	5				\$ -		\$ -	\$ -	\$ -
<b>ACH TOTAL</b>	0	86	16	7			\$ 12,024.84	\$ 12,024.84	\$ 36,074.52
<b>PAPER DISBURSEMENTS</b>									
Cont Disb-Maintenance First Account		1			\$ 57.00		\$ 684.00	\$ 684.00	\$ 2,052.00
<b>PAPER DISBURSEMENTS TOTAL</b>	0	1	0	0			\$ 684.00	\$ 684.00	\$ 2,052.00
<b>VOLUME TOTALS</b>	201,144	113	241	77			\$ 45,127.35	\$ 45,127.35	\$ 135,382.05
<b>TOTAL VENDOR COSTS</b>									
<b>TOTAL STARTUP/TRANSITION COST</b>					\$ -				
<b>GRAND TOTAL</b>							\$ 45,127.35	\$ 45,127.35	\$ 135,382.05

\*Wachovia made the assumption that the "subsequent three years" column was the sum of the annual charges times the 3 year contracted period.

Senior Vice President  
Wachovia Bank, N. A.  
Government Banking  
PA5411  
2240 Butler Pike  
Plymouth Meeting, PA 19462



**WACHOVIA**

## **PLEDGE OF ASSETS TO SECURE DEPOSITS OF PUBLIC FUNDS**

Pursuant to the requirements of Act 72 of the General Assembly of the Commonwealth of Pennsylvania approved August 6, 1991 ("Act No. 72") , Wachovia Bank, NA , as a depository of public funds, complies with the requirements of the United States Treasury Circular No. 92 as to the type of assets which may be used as security for public deposits and as to the valuation as collateral of the assets pledged, except that, as required by Act No. 72, valuation of obligations of the Commonwealth of Pennsylvania (the Commonwealth") and public bodies of the Commonwealth is at the face value thereof.

As permitted by Act No. 72, assets pledged to secure public deposits are on a pooled basis. The total amount of assets pledged to secure public deposits is at least equal to the total amount of such assets required to secure all the public deposits at Wachovia Bank.

Wachovia Bank will pledge additional assets as collateral or withdraw assets as collateral for public deposits as such deposits increase or decrease, respectfully.

07/27/2007

Date: \_\_\_\_\_

\_\_\_\_\_  
Carlo Borgia  
Senior Vice President