


J.P.Morgan

Proposal for City of Murrieta

Banking and Merchant Services

March 21, 2025





A vision is an aspiration; it describes what people hope to see in the future, not necessary what is true today. Pursuing the vision means translating broad priorities into more particular policies and actions.

Murrieta's vision...marks a deliberate effort to direct investment toward building a strong economic base, a "sense of community", and great quality of life for generations to come.



Message to City of Murrieta

March 18, 2025

Cynthia Rockwell
Purchasing & Contracts Coordinator
1 Town Square
Murrieta, CA 92562

Dear Cynthia:

On behalf of JPMorgan Chase Bank, N.A., (J.P. Morgan), thank you for the opportunity to present our response to the City of Murrieta's (the City's) Request for Proposal (RFP) for Banking and Merchant Services. It has been our distinct privilege and pleasure to get to know you and the Finance team over the course of the past year. Thank you for the investment you have made in connecting with us, and for articulating the City's needs, goals and vision for the future.

Should we earn the City's banking and merchant services business, the primary location where the City's banking relationship will be managed is: 12860 El Camino Real, Floor 2, San Diego, CA 92130. The City's local branch is located 1.4 miles from City Hall at: 40655 California Oaks Rd, Murrieta, CA 92562. We will provide the City with a specific branch contact should the need arise to conduct business there, but our service model allows for the City to be cared for by a dedicated Public Sector Customer Service Team for day-to-day needs, as well as by your banking team which is comprised of your Treasury Management Officer, John Wacaster, and by me, your Relationship Manager and primary business contact.

We stand ready to answer any questions or provide any additional information needed as the City undergoes your evaluation process. Please do not hesitate to contact me should the need arise.

Sincerely,

Veronica Villasenor

Relationship Manager
(858) 284-5810
veronica.villasenor@jpmorgan.com

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Executive Summary



Executive summary

Doing business with the City is an honor and a privilege.

You demand excellence and take the welfare of the people you serve seriously. We want to match those high standards and support your vision and mission. We can do this by offering innovative treasury services and solutions that fit the diverse needs of your residents.

As you read the following pages, we want you to feel confident that we've done our due diligence. This response outlines how a responsible and responsive provider like us delivers financial excellence by creating new solutions, transforming industries, embracing diversity and providing dedicated support.

Our seamless, cohesive approach to treasury management offers you an efficient, cutting-edge way of managing receivables, payables, liquidity and credit. We've also put levers in place to help make sure there are minimal disruptions to your operations in the event of an economic downturn.

Our Southern California-based team remains by your side through thick and thin. We will periodically reassess the plan we create together so we can always stay on target—doing our best to align our initiatives with your objectives.

Thank you for giving us this special opportunity. It's our pleasure getting to know you better through your RFP and preparing a response that best addresses your questions.

You have access to a strong and stable financial institution

Our financial stability is demonstrated by statistics (as of December 31, 2024):

- **\$670.6 billion** in market capitalization
- **\$1.35 trillion** in loans
- **\$2.4 trillion** in deposits
- **\$345 billion** total stockholder equity

We also have Tier 1 capital Ratio and Total Capital Ratios of 16.8% and 18.5%, respectively; the ratios presented are calculated under the Basel III Fully Phased-In Approach.

Have confidence that you're working with an experienced relationship team

Our Government Banking team is a specialized group of relationship managers dedicated to delivering solutions to state and local governments. We know the government sector intimately through our experience serving more than 2,100 government clients.

We make the onboarding process easy

We deliver tailored solutions that meet your needs and provide a dedicated resource to fully support your onboarding journey. We will:

- Develop a tailored implementation plan that fits the needs of your organization
- Work with you to understand each operating environment
- Collaborate with leadership to deploy a cohesive strategy
- Enhance your experience by acting on your feedback and making continuous improvement

We're invested in your success

Our mission is to support people, strengthen communities and advance local economies. We're deeply dedicated to local growth and transformation while maintaining the richness and culture that's so important to you.

We invest in the economy: We provide capital to businesses, governments and nonprofit organizations in local markets. This is how we show our support in California:

- \$3.3 billion spent on goods and services in 2023.
- \$158 million in philanthropic contributions from 2019-2024.

We invest in community: The strongest, most resilient communities are those with thriving educational systems, resources for people and businesses, and investments in infrastructure.

- Committed \$5 million to Mission Economic Development Agency's partnership with the San Francisco Housing Development Corporation to support affordable housing capacity and anti-displacement strategies.
- Committed \$4 million to Genesis LA to support local collaboratives to address the housing affordability crisis by increasing their capacity in housing production and preservation.



**Our contribution to
California**

875+
branches

3,100
ATMs

We invest in people: We're supporting your residents in meaningful and sustainable ways. We're creating opportunities for artists to beautify neighborhoods, for technologists to conduct research and development or for veterans to start businesses. We look forward to continuing to support the people of the City:

- \$12.3 million new market tax credit equity invested in the Seed School of Los Angeles County to support the development of a new college-prep boarding school for career readiness in transportation infrastructure, STEM and humanities, located in South LA.
- 160 fellows sponsored since 2014 as part of The Fellowship Initiative (RFI), a program that supports young ;men of color through high school and college.
- JPMorganChase is committed to honoring those who have serviced. We have hired more than 970 veterans in California since 2014.

We invest in technology: Our 2024 technology spend budget was **\$17 billion**. This major commitment is your assurance that we are prepared and able to meet your needs and requirements during these turbulent economic conditions.

Take advantage of favorable pricing and controlled bank fees

The City's financial health is our top priority and we want to show you what financial benefits we can offer you:

Financial incentives summary	
Pricing and incentives	
Lock on pricing	3 years
Transition credit (1)	\$6,000
9-month analysis fee waiver	\$6,000 estimated value
Waiver yields potential interest earnings on average balance of \$100 million	\$2,812,500 value
Implementation fee waiver	\$1,000
2 remote deposit scanners at no charge	\$1,100 value
Maximized liquidity	
Earnings credit rate (2)	2.92%
Hybrid demand deposit account rate (2)	3.75%

(1) To be applied to account analysis up to the first 9 months after account opening
(2) 3.75% for balances of over \$100 million; 3.50% for balance above \$75 million, up to \$100 million

We stay one-step ahead when it comes to Government Banking

Our government-first focus means we're dedicated to providing the industry with innovative financial solutions and personalized client service. Our first-hand knowledge and understanding of today's challenges comes from having supported government agencies and authorities with critical activities ranging from planning and development to tax processing, utilities, finance, procurement, public safety and disaster relief. We remain responsive to change because of our:

- **Expertise:** We have institutional banking knowledge gained through our more than more than 2,100 public agency clients and our Government Council resource
- **Technology:** Our tech innovations are funded by a technology budget of **\$17 billion** that includes investments in cybersecurity
- **Service:** Stay up to date through regular relationship reviews, training opportunities and discussions with your local team
- **One relationship:** Leverage us to provide a broad assortment of services that can help reduce costs, improve services and better manage risks
- **Onboarding:** Your experienced onboarding specialist will facilitate your transition and implementation of services and provide you with insights and project visibility

Our Government Council benefits you

Each year, our Government Council hosts client webinars, provides articles on topics of interest, such as shared services and mobile payments, and participates in government conferences. Learn from your peers and government sector experts about best practices and innovative solutions.

Our Government Industry Council consists of senior bank management, relationship managers, and industry and product experts who collaborate to help our products remain aligned with our clients' financial, operational and regulatory requirements. You maintain a voice in the Government Council. Your relationship team communicates feedback to the Council to provide recommendations for improvements to our products and services.

Why us?

We understand you're making a big decision whether to change banks or maintain status quo. We ask you to consider the following as you review our response:

- **The people and the experience:** Implementation and service should be nothing short of outstanding. The bank you choose should exceed your expectations in planning, operational accuracy, troubleshooting, communication, sense of urgency, care and kindness.
- **Thought leadership:** The bank you select should employ the very best people in the industry who have the experience and expertise to apply best practices on a regular basis and keep you abreast of emerging technology and trends.
- **New and different technology:** You're choosing a bank for its people and what the future holds. You enter a long-term strategic relationship and invest in that bank's technology of the future. It's important to understand your provider's budget and roadmap. You should feel confident it has the resources and vision to stay ahead of rapidly changing technologies.
- **Understanding of culture and vision:** You deserve a highly experienced team of treasury experts that understands your needs, culture and vision for the future and the goals of each of your departments—both individually and as a whole.

Our commitment

Our government expertise is one of the many reasons clients choose J.P. Morgan Commercial Banking.

We provide quality service, make it easy to do business with us and build long-lasting relationships based on client satisfaction.

We understand you're working to achieve efficiency and create a bright future. We know it's all in the details. By selecting us as your primary provider, you're choosing a proven and dependable institution focused on aligning your objectives with solutions to exceed your goals.

In conclusion

We welcome the opportunity to discuss our recommendations, introduce our broader team and demonstrate our systems as we collaborate closely with you throughout this effort.

With over 55 years of experience in the government sector and more than 2,100 government clients, we're prepared to support you at any juncture—enhancing risk management, boosting efficiencies and improving constituent service.

We have the experience, the solutions and the people to effectively support your goals. We're honored you have given us this opportunity and look forward to hearing your decision.

The integrity and quality you expect.

A proven commitment to exceptional service makes certain that **what matters to you, matters to us.**

Solution Overview



Solution overview

Leadership, quality, client advocacy, investment, along with unparalleled scale and commitment to delivering our services on your behalf, position us to help you achieve your treasury goals. We have a 200-year legacy of client service excellence, product innovation and industry leadership.

Capture scale from the firm that ranked #1 in U.S. dollar treasury and commercial clearing—as of 2021, processing \$3.3 trillion in daily wire payments and \$32.7 trillion in originated annual ACH payments.

You gain from later deadlines, faster clearing and operating efficiencies. Spreading capital expense of technology and infrastructure across large volumes defines our value proposition to provide industry-leading products and services at a competitive price.

Receivables






As one of the world's largest providers of cash management services, J.P. Morgan offers the perspective of an industry thought leader, product innovator and global financial solutions provider. Each day, we deliver payment, collection, liquidity and investment management, trade finance, commercial card and information solutions to corporations, financial services institutions, middle market companies, small businesses, governments and municipalities worldwide. We serve over 2,100 government clients nationally through our Government Banking specialized industry group.

We are excited to work with your goals, co-innovating and collaborating across each aspect of payments to help you accept, manage and pay out throughout each stage of your growth. You can feel confident working with a provider that is the #1 in U.S. dollar payments volume¹, #1 Overall Merchant Acquirer in U.S.² and #1 U.S. card issuer³. The relationship team stands ready to deliver the full breadth of our resources to the City. We live, work and volunteer in your community and are here to support your employees, customers and stakeholders and the communities we both serve.

(1) Nilson Report, Issue 1215, March 2022





(2) J.P. Morgan 2021 Annual Report

(3) Global Finance, World's Best Bank 2021, October 2021

Receivables solutions	
Remote Deposit Capture 	<p>A check deposit solution powered by Receivables Online via J.P. Morgan Access, allows the City to scan checks and full-page documents from their desktop or mobile device and electronically send the images to the bank for deposit.</p> <p>Desktop: Scan checks and remittance documents using an approved high-speed check or check + document scanner.</p> <p>Mobile (U.S. Only): Take pictures of checks and remittance documents with a supported iOS or Android smartphone device.</p>
Lockbox 	<p>Scannable lockbox allows the City to direct consumer payments to one of our local processing centers where coupon based payments are automatically collected, processed and deposited into your J.P. Morgan bank account. You can report, enrich and reconcile your lockbox payments alongside other payment channels with Receivables Online.</p>
Image Cash Letter 	<p>We have invested well over \$100 million to enhance our image infrastructure and capabilities in depository services to make certain we are an industry leader in depository services. Therefore, we would encourage the City to take advantage of our Image Cash Letter (ICL) or Remote Deposit Capture (RDC) product offerings.</p> <p>If you process your own checks, rely on a third-party or electronically consolidate deposits from multiple locations, you face growing costs, risks and inefficiency. Our Image Cash Letter solution allows you to image your paper items and transmit them to us electronically for clearing. As part of this process, our solution reviews your check images and accompanying data to determine the optimum clearing method:</p> <ul style="list-style-type: none"> • Automated Clearing House (ACH) • Check Image Clearing <p>In addition, because we process a significant number of transactions as on-us items, we are able to process yours the same way, helping you keep clearing costs down.</p>
ACH debit origination 	<p>Use our banking portal or secure file transfer protocol (SFTP) transmission to originate ACH debits from your constituents.</p> <p>The banking portal provides a fully integrated, browser-based service with easy-to-use applications for all your information, compliance and portfolio management needs.</p> <p>Many large originators find it convenient to originate large volume via batch and create occasional manual entries online when necessary.</p>
Digital Bill Payment 	<p>Customers benefit from modern payment methods that allow them to view and pay their bills easily and efficiently. With the Digital Bill Payment solution, the City is poised to deliver innovative solutions to your customers by providing them with the ability to pay obligations owed to you in person or online, in many convenient ways. As a fully hosted, single-vendor solution, our relationship with Paymentus alleviates the burden, disadvantages and costs of coordinating across different vendor systems. With one connection and one integration, the City has access to industry leading electronic bill presentment service and directly integrated with us and our J.P. Morgan Merchant Services platform.</p> <p>With our solution, your customers can easily view invoices electronically and pay single or multiple invoices through an online portal. Implementing Digital Bill Payment (DBP) enables the City to improve reconciliation by streamlining a paper-intensive process and migrate your customers to electronic payments to expedite collections.</p>





Payables

The distinct value of J.P. Morgan Payments is our vision is to transform the future of payments as one of the industry's top innovators and empower your business to thrive. We believe seamless and secure payment solutions can help your business grow, diversify and thrive—enabling you to pay anyone, by any method or channel, from anywhere, at any time. We offer a detailed approach to solutioning your payments needs.

Payables solutions	
Wires 	<p>U.S. dollar wire transfers continue to be a vital and widely used method for the electronic transfer of funds. Wires can also quickly send money globally in a non-local currency, allowing transfers to be easily received by other financial institutions. We offer secure, same-day payment settlement with intraday finality and irrevocability.</p>
Check print 	<p>Check Print Outsourcing (CKO) allows the City to send check printing data electronically to us to print and deliver checks, advices and related documents. The City can eliminate costly operations while maintaining control of the payment process, enabling you to focus on core competencies. Mitigate fraud risk by eliminating the need to manage internal controls related to in-house check printing, such as securing check stock. Reduce expenses by lowering your per-unit cost of check print materials and take advantage of pre-sort bulk postage rates. Be better prepared when using J.P. Morgan as your disaster recovery plan, no need to maintain a backup site or risk delaying payments.</p>
Purchasing card 	Plastic and cardless (ghost) payment solution <ul style="list-style-type: none"> • Reduce costs: Increase efficiency, streamline processes and reduce costly manual processing on low-value/high-frequency spend • Enhance control: Enhance employee convenience with spend controls and added visibility to promote policy adherence and minimize misuse • Realize gains: Create potential for rebate revenue and cash flow optimization
Virtual card 	Virtual, electronic single-use payables solution <ul style="list-style-type: none"> • Automate control (to the penny): Automate higher value spend requiring accounts payable control or “one-off” transactions • Get it all: Receive the benefits of a Purchasing Card with the controls of a check (payee, date, amount) and the efficiencies of ACH • Realize gains: Take advantage of earning rebate revenue, extending float, increasing liquidity and streamlining the payment process

Information reporting and connectivity

J.P. Morgan Access is an award-winning integrated global cash management platform. A secure single sign-on for transactions, reporting, liquidity management and trade services—all in one place. The online portal's multi-level security is designed to help protect your privacy, preserve data authenticity and maintain strong operational controls. This advanced reporting and transaction initiation platform is customizable, allowing each user to have immediate access to information specific to their job responsibilities. Our online portal is proof of our dedication to investing in leading-edge technology, product innovation and improving the client experience.

J.P. Morgan Access®	
Banking portal 	<p>Our online portal, is an award winning integrated single sign-on experience for transactions, reporting, liquidity management and trade services.</p>
Mobile 	<p>Now the power of J.P. Morgan Access is available to the City in the palm of your hand—with a mobile application that provides anytime, anywhere, secure cash management on smart-phones and tablets.</p> <p>From wherever they are, treasury professionals can view business critical account information, tailored to their needs for informed and quick decision making. And it's all supported with our award winning multi-level security protocol designed to protect privacy, preserve data integrity and maintain operational control.</p>
J.P. Morgan Embedded Solution for Excel 	<p>A Microsoft Excel® add-in that automatically populates your spreadsheets with account data from J.P. Morgan Access.</p>
File transmission 	<p>File Transmission allows the City to connect your treasury workstation (ERP/TMS) with us through a global electronic file transmission for bulk payments and reporting for secure, centralized and automated payments and data delivery.</p> <ul style="list-style-type: none"> • Centralized payments: Global mixed payment electronic file for urgent/non-urgent, electronic/paper, credit transfer and direct debit—all in a single file • Streamlined reporting: Global intraday and prior-day balance and transaction reporting on U.S. and international J.P. Morgan and multibank accounts

Account structure

The Hybrid DDA allows you to earn interest on excess funds without moving them to an investment account. Optimize your cash management in comparison to managing a sweep option or direct investment because the funds remain in one cash account and are available for use as needed. Moreover, 100% of the funds in this account are collateralized per California State requirements with Treasuries, enabling the City to feel secure entrusting J.P. Morgan with its public funds.

The power of DDA with earnings credit and interest-bearing DDA together:

- Increase operational efficiency and flexibility in your cash management.
- Hybrid DDA account earns an earnings credit rate (ECR) up to your controlled peg balance.
- Funds in excess of the peg balance earn hard dollar interest.
- Benefit of full liquidity throughout the business day with no restrictions on withdrawals.

The Result: Funds are housed in a single account earning both a competitive ECR and interest rate.

Conclusion

We offer industry-leading financial solutions and thought leadership that foster greater financial and operational outcomes. Based on the objectives stated in the RFP and our understanding of your goals, we are confident that we are specifically qualified to meet the City's objectives. Our team will work with you to further identify opportunities for improvement and collaborate with leadership to deploy a cohesive strategy. We hope you will allow us to demonstrate our attention to detail, service, project management, organization and overall platform by choosing us to be your go-forward banking provider.

We want to earn your business and we value this opportunity to build a strong relationship with the City.

Scope of Services



Section A - Letter of Transmittal

The letter should address the Proposer's desire and commitment, if selected, to provide the service, and why the bank believes it should be selected. The letter should contain a statement that the bank has read and will comply with all the terms and conditions of the RFP. The letter should be addressed to Javier Carcamo, Director of Finance, and signed by an authorized representative of the Proposer.

March 18, 2025

Javier Carcamo
Director of Finance
1 Town Square
Murrieta, CA 92562

Dear Javier:

The City of Murrieta (the City) is in the midst of unprecedented growth, development and change; it truly is an exciting time. We have enjoyed getting to know you and your team over the past year. Our dialogue has helped us to gain a better understanding of your specific needs. Because of the extensive conversations we've enjoyed, we are poised to support you in your goals to increase efficiencies and incorporate technology to enhance your operations. As you evaluate our proposal, please consider the following points which demonstrate why we believe JPMorgan Chase Bank, N.A. (J.P. Morgan) is the ideal banking provider to support the City's goal of obtaining the most efficient, high-quality services at the most reasonable cost.

- **Government-first, local focus:** With over 55 years of experience in the government sector, we are prepared to support the City at your touchpoints—enhancing risk management, boosting efficiencies and improving the constituent experience. J.P. Morgan is the largest and one of the strongest banks in the United States. We provide financial solutions to all types of government entities, and in October 2022 became the only bank in the U.S. qualified to accept government deposits in all 50 states. This is a true testament to our dedication to the government sector, managed by a dedicated team of over 230 bankers covering more than 2,100 government clients across the U.S. Moreover, we are dedicated to the region. We are pleased to offer the City the convenience of a Chase branch location 1.4 miles from City Hall. Lastly, your Southern California-based banking team has over 40 years of collective experience serving local governments, and stands ready to serve the City.
- **Demonstrated experience in the transition and implementation process:** With over 87,000 product implementations completed in 2023 and more than 500 digital implementations annually, we are prepared to guide the City through a thoughtful and customized banking services transition. Our goal is a seamless integration, and we strive to provide industry-leading experience. By providing dedicated resources and intuitive processes, we help ensure that moving your business to J.P. Morgan is as smooth as possible. We understand the importance of a consistent and timely implementation. That is why our customer-first approach is designed to be efficient. We encourage you to speak with the references provided to receive a first-hand account of their transition experience.

- **Technology:** Our 2024 technology spend was more than \$17 billion. This dedication is your continued assurance that we are prepared to support the City's evolving needs during rapidly changing times. We take a consultative approach and empower our clients to leverage technology to increase efficiencies, mitigate fraud and deliver superior value to their constituents. Also, a significant portion of this technology budget is dedicated to cybersecurity. You can take comfort knowing that we are keeping J.P. Morgan's house, and ultimately *your data*, safe.

J.P. Morgan is willing to utilize the sample Agreement included in the RFP, subject to such terms being negotiated and mutually agreed to by both parties, and incorporating J.P. Morgan's account terms and service terms. The services contemplated by this RFP are standard financial services subject to particular requirements in the financial services industry, and as such, we have attached our form agreements for the services contemplated in the RFP. The account terms and service terms provided by J.P. Morgan relate directly to and articulate the specific services J.P. Morgan is proposing to the City of Murrieta. J.P. Morgan is amenable to discussing modifications to the agreements where appropriate to try and meet the City's needs. Further, if J.P. Morgan is mandated as the winning bidder, J.P. Morgan will negotiate the sample Contract with the City

The City's vision of an investment toward building **a strong economic base, a "sense of community", and great quality of life for generations to come** is one that we align with and are dedicated to supporting. We appreciate the opportunity to present our offerings and welcome any questions about our proposal.

Sincerely,



Veronica Villasenor, Relationship Manager
(858) 284-5810
veronica.villasenor@jpmorgan.com

Section B - Bank Services to Public Sector

Please respond to the following sections:

Bank Overview

General overview of the bank, governmental client service philosophy, and corporate organization, including identification of the government services unit, location of corporate, processing center, local branch locations, hours of operation and banking holidays.

JPMorgan Chase & Co. (JPMorganChase) is a financial holding company. Its principal banking subsidiary is JPMorgan Chase Bank, N.A. (J.P. Morgan), a national banking association with branches in 48 states. Here are some other key distinctions we think you should know about us:

- Our principal nonbank subsidiary is J.P. Morgan Securities LLC (J.P. Morgan Securities), a United States (U.S.) broker-dealer.
- The firm's principal operating subsidiary outside the U.S. is J.P. Morgan Securities PLC, a United Kingdom (U.K.)-based subsidiary of J.P. Morgan—wholly owned by JPMorganChase.
- JPMorganChase is a leading global financial services firm with assets of more than \$4.0 trillion.
- A component of the Dow Jones industrial average, JPMorganChase has its corporate headquarters in New York.

WE'RE STRONG IN NUMBERS

JPMorganChase has a global reach

We have 141 locations across the U.S. and 34 major international cities. Commercial Banking provides comprehensive financial solutions, including:

- Lending
- Treasury services
- Investment banking
- Asset management

The firm serves millions of consumers in the U.S. and many of the world's most prominent corporate, institutional and government clients under the J.P. Morgan and Chase brands. Additional information about the firm is available at www.jpmorganchase.com.

As of December 31, 2024, JPMorganChase has:

- Headcount of 317,233 employees worldwide.
- Market capitalization of \$670.6 billion.
- Deposits of \$2.4 trillion.
- Loans of \$1.35 trillion.
- Total stockholder equity of \$345 billion.
- Tier 1 and total risk-based capital ratios 16.8% and 18.5%, respectively. The ratios presented are calculated under the Basel III Fully Phased-In Approach.

Lines of business

Both JPMorganChase and J.P. Morgan are managed on a line-of-business basis. The business segments are based on the products and services provided or the type of client served. The services required to meet your requirements will be provided through our Commercial Banking sub-line of business.

JPMorgan Chase & Co. current organization by lines of business

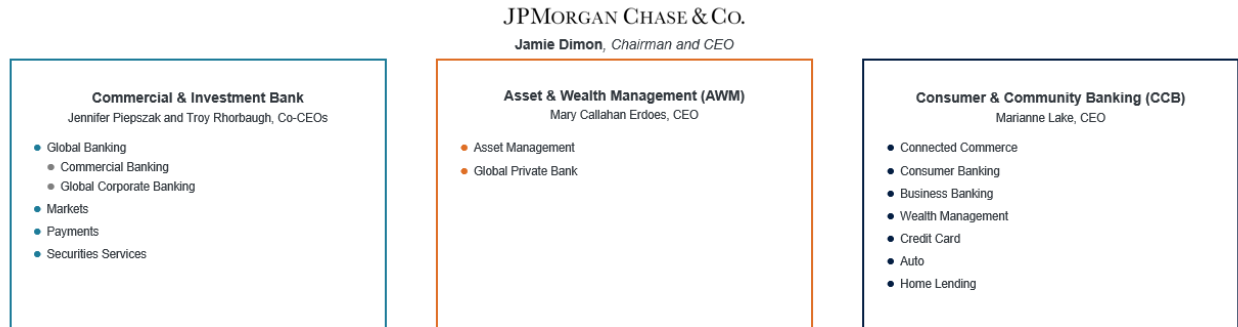


Figure 1

Values and mission statement

Our mission is to be the best financial services company in the world, and we believe the principles outlined below will get us there. We hope these values, which have helped guide JPMorgan Chase for over 200 years, will provide you with a roadmap on how and why we make our decisions.

Aspire to be the best

- Develop a world-class franchise in every business we operate
- Be field- and client-driven, consistently delivering the best products and services in a cost-effective way
- Innovate, test and learn
- Create powerful brands that carry a commitment of quality and integrity

Execute with excellence

- Demand and maintain strong financial discipline, building for good times and bad
- Create and maintain a fortress balance sheet
- Design and maintain the best systems and operations
- Eliminate waste and bureaucracy
- Maintain a strong system of internal governance and controls
- Measure performance through balanced scorecards

Build a great and winning culture

- Operate with the highest standards of integrity
- Train and retain great managers
- Be open and honest with ourselves, our colleagues, our shareholders, and our communities
- Get incentives right
- Foster an environment of respect and inclusiveness
- Give back to our communities

Corporate headquarters

JPMorgan Chase Bank, N.A. is headquartered in the United States at: 1111 Polaris Parkway, Columbus, OH 43240.

Branch locations

Refer to **Section F – Deposit Activity**, Question #1 for a comprehensive list of branch locations near the City.

Bank holiday schedule

2025 U.S. holiday schedule	
Wednesday, January 1, 2025	New Year's Day
Monday, January 20, 2025	Martin Luther King Jr. Day
Monday, February 17, 2025	President's Day
Monday, May 26, 2025	Memorial Day
Thursday, June 19, 2025	Juneteenth National Independence Day
Friday, July 4, 2025	Independence Day
Monday, September 1, 2025	Labor Day
Tuesday, November 11, 2025	Veterans Day
Thursday, November 27, 2025	Thanksgiving Day
Thursday, December 25, 2025	Christmas Day

Experience

Describe the bank's direct experience in servicing public sector clients, primarily mid-size cities such as the City of Murrieta. Please include the following: the number of public agency clients, the dollar amount of public funds on deposit, and the bank's knowledge of and adherence to the California Government Code, including collateralization requirements, and other applicable federal and state laws.

Will the bank be able to comply with transaction or account balance confirmations and respond to other requests for data as needed from the City's auditors? What role does technology play in the delivery of service?

We currently hold several billion dollars in public deposits and we pledge collateral to secure such public deposits through our National Collateral Management Group (NCMG) to numerous government clients in the State of California (including several cities in California) and throughout the country. The Bank has been designated a depository for funds of Customer in the manner required by applicable law. See 'California General Collateral Information (Mandatory Local Agency Pool)' herein.

California General Collateral Information (Mandatory Local Agency Pool)

JPMorgan Chase Bank, N.A. (the Bank), through its National Collateral Management Group (NCMG), employs a Bank developed Corporate Collateral Management System (CCM), which provides daily monitoring of deposit balances and security value for collateralization purposes.

CCM is reviewed each Federal Reserve banking day by dedicated Collateral Managers for compliance with collateral requirements. Collateral requirements are based upon the end-of-day ledger balances in deposit accounts (demand and time deposits) (plus accrued interest if any), less applicable FDIC coverage if coverage for insured balances is appropriately waived, plus applicable margin (10%). The end-of-day deposit balances are uploaded into CCM the following Federal Reserve banking day morning from the Bank's deposit system. NCMG monitors the market value of collateral pledged to our customers and compares the market value to the collateral requirements. In the event a market value reduction or increase in deposit level creates an under-collateralized position, additional collateral will be pledged promptly.

Collateral is pooled for all Local Agency Government Customers and State Agency Customers

The Bank follows the collateralization process (California Pool) established by California law and procedures of the Local Agency Security Program (LASP) Administrator. In addition, the Bank follows the collateralization process established by California law for State Agency customers. The State's own deposits are directly collateralized.

Types of Collateral Pledged

The Bank is currently pledging U.S. Treasury securities to secure Local Agency deposits and State Agency deposits. The amount and types of collateral pledged are subject to change but will be in accordance with the California Government Code (for Local Agency deposits, Government Code §§ 53651, 53651.2, 53651.6 and rules established by the LASP Administrator; and for State Agency Deposits, Government Code § 16522).

Custodian for the Collateral Securities

The Bank currently employs The Bank of New York Mellon as third-party custodian to hold collateral for the LASP; and the Federal Reserve Bank, which account is controlled by the State Treasurer for the State Agency accounts.

Collateral Priced/Marked to Market

The Bank uses an independent, third-party pricing agent for collateral valuation. Dependent upon the types of securities pledged, the Bank will update security prices (marked to market) daily, weekly and monthly, as provided by the pricing agent. The Bank of New York Mellon also prices pledged securities daily, weekly and monthly, dependent upon the types of securities pledged as collateral.

Departments Responsible for Tracking Collateral and Reporting to the State

The Bank has two groups for tracking collateral and reporting: Firmwide Regulatory Reporting and Analysis (FRRRA), which conducts all reporting to the LASP Administrator, and NCMG, which conducts security pledging (and other collateral transactions) with the LASP Administrator.

Collateral Reporting

The Bank is required to provide reporting to the LASP Administrator in such frequency and in such format as described in California law and LASP rules. The Bank is unable to provide collateral reporting for LASP pool program customers because the collateral pledged covers all California Pool participants and is not segregated to a specific customer. Request of proof of collateralization for LASP pool program customers can be submitted to:

Contact Information	
Proof of collateralization requests can be made for LASP pool grogram customers by:	
Phone	(415) 542-6305
Fax	(415) 263-8508
Email	Joe.Lam@dfpi.ca.gov
U.S. mail	Department of Business Oversight Division of Financial Institutions One Sansome St, Suite 600 San Francisco, CA 94104-4428

Relationship Management

Identify the size and scope of your public sector banking unit, bank officers responsible for the City's accounts, what each person's role and responsibilities will be, and the relevant credentials and experience of each person on the relationship management team. Please specify the name and title of who will be designated as the bank's relationship manager for the City, and the person responsible for implementation of services.

Within Commercial Banking, the public sector is a key industry segment in which we continue to invest and enjoy ongoing growth. Our Government Specialized Industry segment provides financial solutions such as tax processing and general banking services to more than 2,100 clients at the state and local government levels. There are more than 230 professionals supporting this industry.

Relationship team

The City can be confident in the J.P. Morgan team. Part of our commitment to the City is having the appropriate individuals assigned to your relationship team and providing outstanding client service. We take a consultative team approach to building relationships with our clients.

We assign a skilled relationship team, which is made up of professionals with a variety of expertise, who will listen carefully and proactively and will provide targeted ideas to energize your business.

- **Relationship Manager:** Veronica Villasenor will serve as the lead relationship contact at J.P. Morgan. Veronica is a highly experienced client advocate and maintains responsibility for the overall relationship with the City.
- **Treasury Management Officer:** John Wacaster will lead the treasury services team and consult with the City on an ongoing basis to maintain exceptional treasury management arrangements specifically tailored to meet the City's needs.
- **Client Service Associate:** Kelsey Roloson is dedicated to managing the service requirements of your business.
- **Sales Associate:** Briana Morales is responsible for supporting John Wacaster, the treasury management officer.
- **Onboarding Specialist:** Briana Burtley will be your primary point of contact during your onboarding of implementations services.

Brief biographies and contact information for your relationship team are provided on the following pages.

Relationship Manager

Veronica Villasenor will serve as the lead relationship contact at J.P. Morgan. Veronica is responsible for the City's banking arrangements at J.P. Morgan and the effectiveness of our team in handling the City's banking services.

Veronica Villasenor



Role	Relationship Manager
Address	12860 El Camino Real, Floor 2 San Diego, CA 92122-1029
Phone	(859) 284-5810
Email	veronica.villasenor@jpmorgan.com

Responsibilities

Veronica will lead the City's banking team with a focus on the quality and delivery of our services.

She will:

- Serve as your primary point of contact for the bank's full capabilities
- Recommend products and services that meet the City's needs and goals, including financing solutions, treasury management and other banking services
- Oversee delivery of products and services, including financing, treasury services and other financial services
- Address your overall satisfaction with your J.P. Morgan banking relationship

Biography

Veronica Villasenor joined the firm in 2019 with an extensive background in banking, with specialized expertise in the areas of treasury management, public and nonprofit finance, credit analysis and a range of payment solutions. Her career has spanned public affairs, community relations, finance and lending and nonprofit administration. Prior to joining J.P. Morgan, she held SVP positions at two California regional banks, as well as VP/relationship manager roles in both the corporate and business banking spaces.

Veronica is a Certified Treasury Professional (CTP). She holds a B.A. from Princeton University and a M.A. from Harvard University, both in the field of Public Policy and International Affairs. She is a Public Policy & International Affairs (PPIA) Fellow, as well as a graduate of the LEAD San Diego, and Leadership North County/Leadership Southwest County regional education and leadership programs. A North County San Diego native, she holds leadership positions with local chapters of the Women in Public Finance and the Association for Financial Professionals, and she serves on the Board of Directors for the nonprofit organization Reality Changers which focuses on access for first-generation college graduates like herself.

Treasury Management Officer

Leading the treasury services team, Treasury Management Officer John Wacaster will consult with the City on an ongoing basis to maintain industry leading treasury management arrangements specifically tailored to meet the City's needs. He will communicate best practices, new solutions and enhancements to products and services.

John Wacaster



Role	Treasury Management Officer
Address	3 Park Plz, Floor 9 Irvine, CA 92614
Phone	(949) 838-1436
Email	john.wacaster@jpmorgan.com

Responsibilities

John will assist the City in resolving working capital and efficiency challenges by providing information and offering ideas from J.P. Morgan's Treasury Services team.

He will:

- Recommend cash flow optimization strategies, including ways to streamline financial processes
- Assist you in realizing day-to-day operational efficiencies in alignment with your treasury service goals
- Provide targeted information to you about new products, market developments and industry trends
- Monitor the City's implementation for successful service delivery

Biography

John Wacaster began his career at J.P. Morgan over 20 years ago. He started with the bank as a treasury services sales associate and quickly moved into the senior treasury management officer role, followed by team lead. John later joined the Healthcare, Higher Education and Not-for-Profit Banking team as a relationship manager, then transitioned to our Government Onboarding team as Team Lead. Currently, he is the Treasury Management Officer supporting the Southern California Government Banking team. Prior to joining J.P. Morgan, John was the banking analyst at Walgreen Co.'s corporate offices in Deerfield, IL and worked as a teller, personal banker and assistant branch manager for a regional bank in the southeastern United States.

John attended Millsaps College in Jackson, MS, where he earned a Bachelor of Arts in Political Science with a minor in Business Administration. He is a Certified Treasury Professional.

Client Service Associate

The City's day-to-day banking service needs will be handled by your designated client service associate. Kelsey Roloson serves as the single point of contact for all the City's account inquiries.

Kelsey Roloson



Role	Client Service Associate
Address	150 W University Dr, Floor3 Tempe, AZ 85281
Phone	(480) 902-6193
Email	kelsey.roloson@jpmorgan.com

Responsibilities

Kelsey will serve as the primary point of contact and as a proactive resource for the City's banking service needs. She will facilitate the timely resolution of all service issues with her understanding of all aspects of our Treasury Services' product functionality and technology.

For day-to-day matters, she will:

- Resolve the City's inquiries including credit/debit confirmations, cancellations of payments, amendments of payment instructions, funds transfer inquiries and other treasury service matters
- Identify and resolve operational inquiries in a timely manner
- Share her specialized knowledge of fraud prevention tools and provide advice on asset and data protection strategies
- Facilitate the opening of additional accounts

Kelsey works with a team of client service associates who will provide consistent, reliable and timely service support.

Biography

Since joining J.P. Morgan in 2022, Kelsey has excelled in various roles, acquiring valuable insights and expertise. She began her career as a Government, Higher Education and Non-Profit Service Analyst while concurrently pursuing her MBA in Global Management and International Business from Arizona State University. Subsequently, she advanced to the position of Government Client Service Associate, where she has cultivated strong client relationships and dedicated her efforts to serving both local and state government clients.

Sales Associate

The sales associate is responsible for supporting the treasury management officer and the City's team at J.P. Morgan.

Briana Burtley



Role	Onboarding Specialist
Address	10 S Dearborn St, Floor 34 Chicago, IL 60603-2300
Phone	(312) 336-1157
Email	briana.burtley@jpmorgan.com

Responsibilities

Briana will be responsible for the City's Treasury Services product and services onboarding.

She will:

- Implement products and services to meet your objectives
- Manage the installation of comprehensive and complex cash management solutions
- Provide the City with onboarding support and serve as the point of contact for questions and issues
- Coordinate service delivery to occur within specified timeframes so that your onboarding is a positive experience

Biography

Briana is a dedicated Banking Associate with growing expertise in treasury management. She's dedicated to optimizing financial resources and delivering customized solutions that meet client needs. She is known for her strategic insight and dedication to fostering strong client relationships. Briana excels at developing innovative financial strategies that proactively drive success and enhance relationships. Her academic background, including an MBA, further supports her qualifications and ability to deliver exceptional service and strategic guidance.

Customer Service

Describe how the bank handles issue resolution, customer service, day-to-day contact, and ongoing maintenance for governmental agencies. Identify metrics for how the bank measures quality and customer service, and how often the City will be provided with the results of these evaluations.

Does the bank provide a toll-free number for Customer Service? Please identify the hours of operations for the customer service unit.

The City benefits from our coordinated approach to distinctive, industry-leading client support. CSAs answer your day-to-day questions about our banking services and interact with our operations areas on your behalf to solve your inquiries or requests. When your primary CSA is not available, your designated back up CSA assists you. Additionally, our **Commercial Banking Service Center** is staffed with CSAs who help with routine requests from **5:00 a.m. to 5:00 p.m. PT, Monday through Friday.**

Ongoing support

In addition to your CSA, our **Payments Solution Center Access Support** team supports routine transactional and technical issues and provides you with consistent, reliable access to service consultants who understand your business. Our service centers are open to support your business requirements during and after normal business hours, and they are staffed with bilingual product experts.

- The Access Support team provides a general help desk as the first level of support, accessed via **toll-free** client support line. If your call needs to be escalated, senior specialists provide the second level of support, and the manager provides the third level.
- In addition, Access Support specialists have the authority to escalate, as appropriate, any client issue to provide timely and accurate resolution.
- The Access Support team **hours of operation are 5:00 a.m. to 5:00 p.m. PT, Monday through Friday.**

Access Transaction Services is our Internet-based self-service tool, to search for payments, inquiries and ACH requests and create inquiries for wire and ACH payments in accounts to which you are entitled. You may also initiate requests for deletions, reversals, reclaiming funds, returns and notifications of change (NOC) for ACH payments in accounts to which you are entitled.

Additionally, we provide **merchant-specific support** through Merchant Services senior-level consultants and specialists, Account and Support teams. Merchant Services Technical, Operations and point-of-sale Help Desks are staffed **24/7/365.**

Measuring quality and customer service

Client Service and Implementations use **web-based surveys, IVR options and in-depth and in-person interviews** to measure satisfaction with clients. We understand that metrics for how the bank measures quality

and customer service are of utmost importance to the City. We are dedicated to delivering these metrics to you as often as preferred, whether that be after each interaction or as incorporated into a regular schedule of relationship reviews which can be provided on a quarterly, semi-annual or annual basis.

Surveys are delivered via email to a sampling of clients who have recently implemented new Treasury Service products and/or had servicing interaction with their CSA.

- **New Business Set-Up** satisfaction is measured by the client's satisfaction with the overall implementation experience and their likelihood to recommend the bank to others. We always ask for open-ended feedback.
 - Clients may also receive a call by a manager during an implementation to check on their satisfaction in process. Issues identified during or after an implementation are reviewed internally during daily calls and in post-implementation internal reviews to identify best practices and future changes that may improve client's overall satisfaction.
- **Client Service** satisfaction is based on overall satisfaction ratings with Commercial Banking Client Service and any open-ended feedback provided.
- **Survey results** are reviewed daily, and outbound calls are made by a manager to any survey participant who submitted a low score rating to resolve outstanding issues and understand all feedback in real-time.
- The Payments **Solution Center Access Support team** is also evaluated for customer satisfaction.
 - For the Access Support team, a survey is sent via an email to clients for a random sample of cases created from inbound client calls.
 - The survey evaluates overall satisfaction with the interaction and provides an opportunity to include free form feedback.
 - Survey results are published daily and used to track both departmental and individual agent performance. Outbound client calls are made by a manager to any survey participants who rated the overall service less than excellent or very good, or provided negative feedback.

These factors help us better identify the strengths and opportunities that drive the client's overall satisfaction of the service we provide.

We would be happy to work with you to develop these metrics and collaborate to provide these evaluations based on your needs.

References

Please provide three (3) references. References should include other California cities of similar size and scope of service utilization as the City of Murrieta. Select both long-standing and recent customers.

Include the following information for each reference:

- Contact name and title
- Name of agency
- Telephone number and email address
- Services provided

Please see our references and contact information provided below.

City of Upland			
Contact name and title	Stephen Parker, Assistant City Manager		
Name and Address of customer (agency)	460 N. Euclid Ave Upland, CA 91786		
Telephone number	(909) 931-4121	Email	sparker@ci.upland.ca.us
Number of years as a customer	13 years		
Services provided	Core treasury services		

City of Santa Monica			
Contact name and title	Sean Tong, Treasury Administrator		
Name and Address of customer (agency)	1685 Main St., Room 3 Santa Monica, CA 90413		
Telephone number	(310) 458-2201 ext. 2353	Email	sean.tong@santamonica.gov
Number of years as a customer	1 year		
Services provided	Core treasury including lockbox services, virtual card and purchasing card		

City of Pleasanton			
Contact name and title	Chui Mun Hsieh, Finance Director		
Name and Address of customer (agency)	123 Main St Pleasanton, CA 94567		
Telephone number	(510) 931-5408	Email	shsieh@citofpleasantonca.gov
Number of years as a customer	9 years		
Services provided	Depository, lockbox, eLockbox, remote deposit, vault, merchant, check disbursements with payee positive pay, ACH and wire origination, virtual reference, integrated payables and receivables.		

Section C – Demand Deposit Accounts

The City currently uses one (1) general demand deposit account (DDA). One (1) account (Payroll) is a Zero Balance Account (ZBA), with the general deposit account serving as the Parent ZBA. Checks are issued using the General Checking Account and Payroll Accounts.

1. What types of demand deposit accounts (DDAs) do you offer, and how do they differ in terms of fees, services, and features?

We offer both Commercial Checking and Commercial Checking with Interest accounts, also known as a demand deposit account (DDA). The Commercial Checking DDA provides the option of paying an earnings credit rate (ECR), a “soft dollar” interest on balances which are applied against bank fees. The Commercial Checking with Interest DDA pays a “hard dollar” interest. Both accounts are fully liquid with no restrictions on withdrawals.

We also offer a Hybrid DDA which offers both soft and hard dollar interest. Soft dollar interest is applied against bank fees up to a pre-determined level of balances and hard dollar interest is applied to the balance over that predetermined level. Please refer to the Hybrid DDA section for more information.

The offered rates—on the standalone interest-bearing DDA and Hybrid DDA—are bank managed rates which are reviewed and updated periodically by us after considering a range of factors, including the market rate environment. Using a managed rate helps to maintain pricing flexibility while helping to protect you from the short-term rate volatility that could result from using an indexed rate.

The earnings credit rate is a bank managed rate which is reviewed and updated periodically by us after considering a range of factors, including the market rate environment. Using a managed rate helps to maintain pricing flexibility while helping to protect you from the short-term rate volatility that could result from using an indexed rate.

Hybrid DDA

Recent central bank actions have resulted in an evolving rate environment, making an optimized, flexible account structure a key component of a successful business strategy.

Our Hybrid DDA combines the power of a DDA with earnings credit and an interest-bearing DDA, allowing you to earn both a competitive earnings credit rate (ECR) and interest from a single account.

This innovative solution opens the door to a **simplified account structure**, allows for balances to offset service fees and minimizes time spent managing investments.

Benefits of our approach to Hybrid DDA

Earn a competitive rate of return compared to other short-term investment products providing overnight liquidity



Fully liquid balances throughout the business day with no restrictions on withdrawals

Balances are FDIC insured up to the standard maximum of \$250,000 per depositor



No reserve requirements allow you full use of your funds



Save time managing fewer accounts and/or investments for excess cash

How it works

The Hybrid DDA offers a solution similar to the functionality of an overnight sweep service. In the Hybrid DDA solution, balances earn an earnings credit allowance up to a predetermined threshold to offset bank service fees with balances above the threshold earning hard dollar interest. Thus, **instead of sweeping to a separate account each night, your excess balance remains in the DDA and earns interest.** Additionally, the Hybrid DDA does not have an investment cap like an end-of-day money market fund (MMF) sweep solution. And, **unlike an overnight sweep**, 100% of the funds in this account are collateralized per California State requirements with Treasuries, enabling the City to feel secure entrusting J.P. Morgan with its public funds.

Balances up to a predetermined threshold ("the peg balance") earn an earnings credit allowance at the proposed earnings credit rate of 2.92%. Funds up to the peg balance are used to offset bank service fees. Balances above the peg balance threshold earn hard dollar interest at a proposed rate of 3.75%. Interest accrues daily and is paid monthly. The below illustrates how the Hybrid DDA works.

Hybrid DDA structure

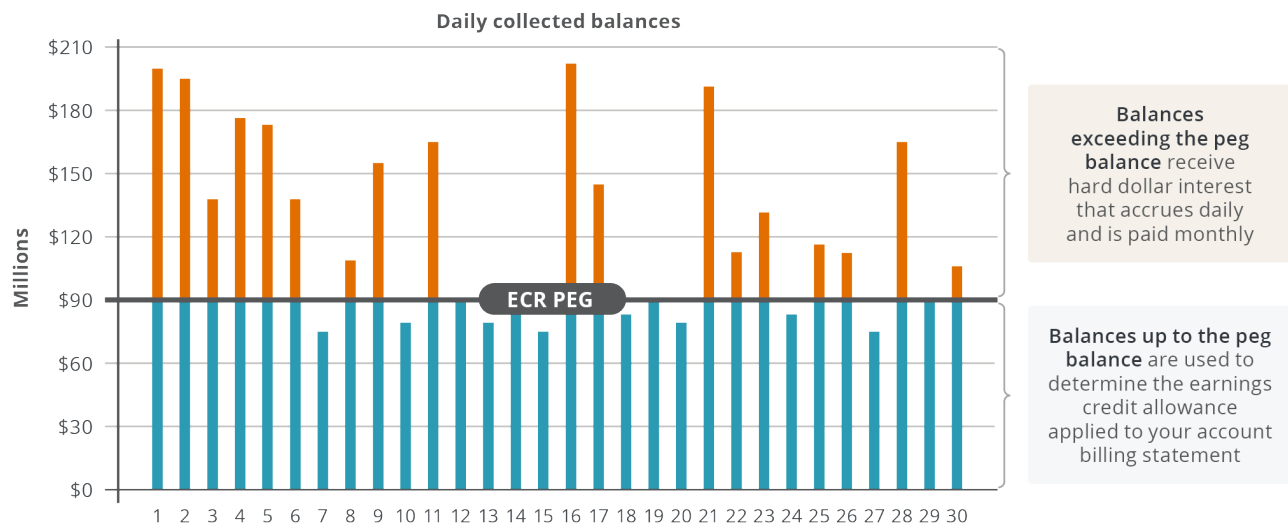


Figure 2

The peg balance can be changed at any time prior to the next billing cycle (and applied on a go forward basis) to adjust for unplanned changes in service fees (e.g., significant volume changes, service additions/deletions, to compensate for periods in which minimum balance levels fall below the peg balance amount).

Calculation of ECR and interest

The earnings credit rate and interest rate are bank managed rates that are reviewed and updated periodically by us after considering a range of factors, including the market rate environment. Using a managed rate helps maintain pricing flexibility while also helping protect you from the short-term rate volatility that could result from using an indexed rate.

The earnings credit allowance is calculated and applied on a monthly basis on the balances up to the peg balance threshold.

Monthly earnings credit allowance calculation
$\frac{(\text{Average monthly investable balance} \times \text{ECR} \times \text{actual number of days in month})}{\text{Actual number of days in year}}$

Hard dollar interest accrues on a daily basis on the closing daily balance above the ECR peg and is paid on a monthly basis.

Daily interest accrual calculation
$\frac{(\text{Daily positive collected balance above the peg} \times \text{account interest rate})}{\text{Actual number of days in year}}$

Money Market Deposit Accounts

For balances that are not immediately needed to cover operating cash needs and/or are of a reserve nature, we offer a Money Market Deposit Account (MMDA) that earns a **premium rate** above other overnight deposit alternatives.

Use this product when you have reserve cash with long-term characteristics that must be invested in an overnight instrument either due to investment policy guidelines or to effectively manage maximum weighted average maturity (WAM) requirements of your overall cash portfolio.

You can **monitor account activity** and **view reports** on an MMDA using our banking portal.

MMDA balances earn a **competitive rate of interest**, which accrues daily and is posted to the account on the last business day of each month. MMDAs provide greater flexibility than fixed term products as they are not subject to breakage costs. In addition, monthly maintenance or service fees are waived if certain minimum required balances are maintained. There are no fees to open an MMDA.

MMDAs allow up to six electronic withdrawals per calendar month, in accordance with Federal Reserve Regulation D. There are no limits to the number of deposits that can be made into the account.

MMDAs are backed by the full faith and credit of J.P. Morgan. As interest-bearing bank obligations, they are FDIC-insured up to \$250,000 per depositor.

Manage Reserve Cash

Enhance the value of excess non-operating funds with an MMDA:

- Set aside reserve cash to fund periodic payments
- Use excess cash to provide a cushion for immediate needs
- Set up reserve accounts for cash accumulation for strategic transactions and to hold funds from a liquidity event
- Earn a competitive rate of interest

Certificates of deposit

A certificate of deposit (CD) is an interest-bearing bank deposit offering a fixed-term and a fixed rate of interest. Funds can be invested in CDs with a variety of maturity options typically greater than 90 days. CDs are backed by the full faith and credit of J.P. Morgan. As U.S. bank deposits; they have no foreign country risk and are FDIC insured up to \$250,000 per depositor. Rates are based on market conditions at the time of investment.

Liquidity Management Account

The Liquidity Management Account (LMA) is an interest-bearing account that pays interest based on the stability of the account balance over time. You can potentially earn an enhanced yield on operating cash balances, depending on the duration that balances remain in the account. The longer stable operating balances remain here, the higher the payout tier the balances can achieve.

Balances are categorized into overnight, one-month, three-month and six-month tranches. Each progressive tranche automatically earns incremental value without locking balances to term or actively investing. Interest accrues daily and posts monthly to the LMA.

LMA offers daily liquidity where the City has unrestricted access to deposit balances throughout the business day. Accounts can be more operationally efficient for optimizing cash than managing a sweep or direct investment.

The standard FDIC deposit insurance coverage applies, up to applicable regulatory limits.

LMA Sample Payout Chart

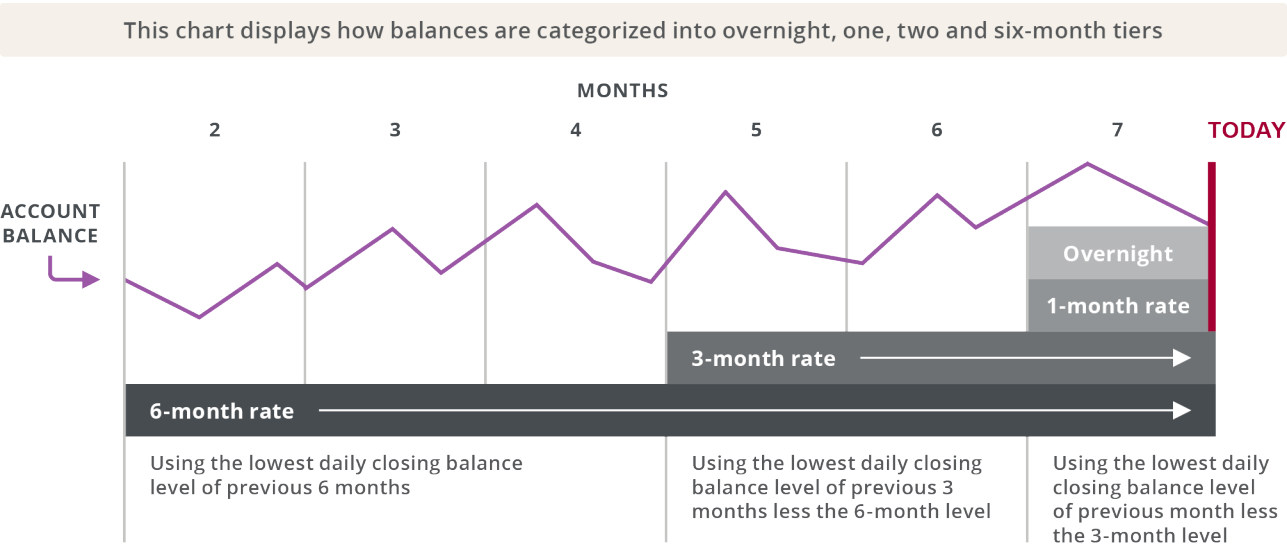


Figure 3

2. Does the bank offer online and mobile banking options for easy monitoring and management of DDAs?

Yes. The City can easily monitor and manage DDAs with our online portal.

Our online portal offers the City a highly intuitive and easy to use, cash management solution that seamlessly integrates all treasury activities through a secure portal using a single authentication process.

In addition to desktop online functionality, our Mobile service enables clients to log on to J.P. Morgan Access via our app using a smartphone.

We discuss our online portal in greater detail in **Section K – Online Bank Processes and Information Reporting**.

3. What is the standard availability of deposited funds in a DDA (e.g., check deposits, remote deposits, wire transfers)?

Please reference the availability schedules in Appendix 1.

4. How many days after month-end will the City receive its bank statements?

Benefit from receiving electronic bank statements that are **identical to mailed paper statements** within two business days after the statement cutoff date.

5. Are the bank statements available online?

Yes. Access bank statements of your accounts in a **timely and efficient manner** via secure internet delivery on our online portal.

6. Does the bank offer Zero ZBAs? If so, please describe the service.

Yes. We offer physical cash concentration via zero and target balance accounts.

We will work with you to create an integrated liquidity and investment solution. We offer fully automated zero balanced sweeping between single-entity owned accounts as well as multi-entity owned accounts. Accounts can be set to concentrate at either a zero or target balance level.

Concentration can be set up with two primary options:

- **Zero/target balance:** On a daily basis, automated cash concentration transfers occur to bring participating accounts to a zero or target balance at end-of-day.
- **Customized transfers:** Options include one-way transfers, intraday concentration and date specific transfers. We also offer fixed and percentage-driven instructions.

Through our ability to provide a completely automated end-of-day concentration process, late-posted or back-valued items are included in the zero balance or target balance transfer.

7. Are the transfers to the Parent Account automatic?

Yes. Physical cash concentration services lets you automatically concentrate funds intraday or at the end of each business day.

8. Does the bank offer ACH blocks or filters? If so, please explain.

Yes. We offer you protection from unauthorized ACH items.

Protect your account from unauthorized ACH transactions with ACH Transaction Blocking or ACH Transaction Blocking with Positive Pay. These services offer protection from third-party organizations who originate ACH transactions against your accounts.

The ACH Transaction Blocking with ACH Positive Pay self-service tool can make a difference

ACH Transaction Blocking is a fraud mitigation solution available in our online portal that allows you to add ACH debit and/or ACH credit block setups at the account level.

Additionally, we offer ACH Positive Pay, a solution that works in conjunction with ACH Transaction Blocking, to review and decision items prior to posting to the protected account.

Benefit from the following with ACH Transaction Blocking with ACH Positive Pay:

- Set your blocking criteria
- View six months of ACH debit and credit blocked transactions and items for review history online
- Entitlements for viewing profiles or setup and maintenance
- Security administrators can enable or disable dual control and ACH Positive Pay
- Entitled users have the ability to select multiple ACH Positive Pay exceptions for review and decision prior to transaction posting

ACH blocks and rules can be setup through Payment Control Center.

ACH FRAUD IS ON THE RISE

You decide to “block” or “allow”:

- All ACH transactions
- Specific originators
- By dollar amount

Benefits of our approach to ACH Transaction Blocking with ACH Positive Pay

Configurable security features enhance controls by choosing flexible features to meet your specific business needs	 	Reduce manual disputes through blocking rules that automate identification and return of unauthorized attempts on your account
Improve fraud mitigation by systematically blocking unauthorized inbound ACH debit and credit transactions instead of manual process	 	Increased review capabilities with the ability to review blocked transactions 24x7, prior to return or posting being processed

ACH Transaction Blocking with Positive Pay

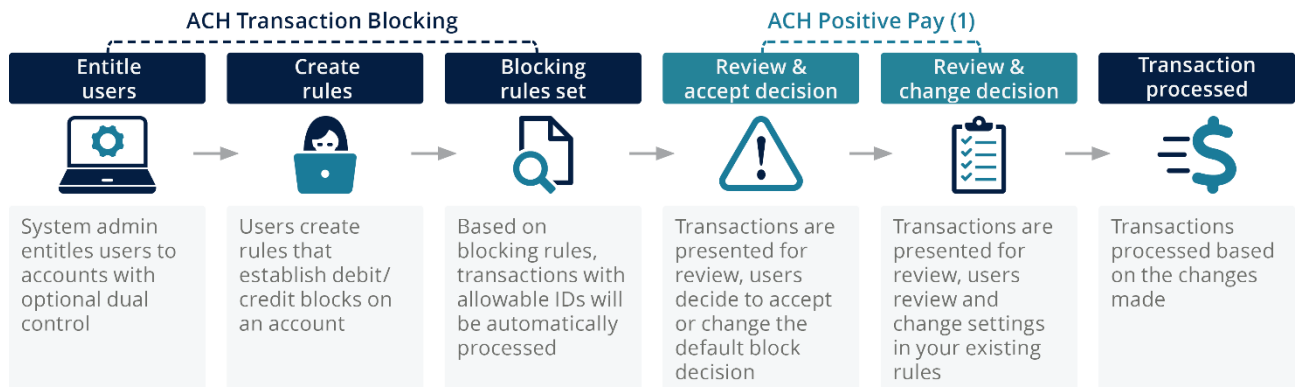


Figure 4

(1) Review/Accept decision and Review/Change decision functionality is only available when Positive Pay is enabled. Future capabilities are under development, features and timelines are subject to change.

How our ACH fraud tools work		
Product features	ACH Transaction Blocking	ACH Positive Pay
Platform	<ul style="list-style-type: none"> Payment Control Center via J.P. Morgan Access 	<ul style="list-style-type: none"> Payment Control Center via J.P. Morgan Access
Before or after posting	<ul style="list-style-type: none"> Block transaction before posting 	<ul style="list-style-type: none"> Decision transaction before posting
How it works	<ul style="list-style-type: none"> Requires the setup of ACH Transaction Blocking rules Received ACH debits and credits that match block settings are returned automatically without posting Received ACH debits and credits that match allowed settings will post to the account on the effective date 	<ul style="list-style-type: none"> Requires the setup of ACH Transaction Blocking rules Received ACH debits or credits generate alerts based on positive pay settings Choose to change the Pending Return or Pay decision applied based on the blocking rule Simplify block rule maintenance by adding company IDs directly to block rules from decisioned transactions
Decision cutoff	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 2:00 p.m. PT for Same Day CTX transactions All other transactions 6:00 p.m. PT on the effective date

9. Does the option exist to create sub-accounts under the primary account?

Yes. The City can use your master cash concentration account to fund an unlimited number of subaccounts.

10. When are listings/copies of cancelled checks available? How long will cancelled checks be available? What format are these available in?

Check images are usually available the same day checks are presented. At a minimum, images of these items are available on a next business day basis. We offer paid item images in different media to meet the City's image strategy. Options for paid check images are:

- **Online via J.P. Morgan Access:** Retrieve in seconds, compared with hours or even days for physical retrieval and the quality of the reproduced image is extremely clear (see image example below)
- **Image transmission:** Receive fast, automated image files directly transmitted to your internal check archive for high-volume clients

Sample check image

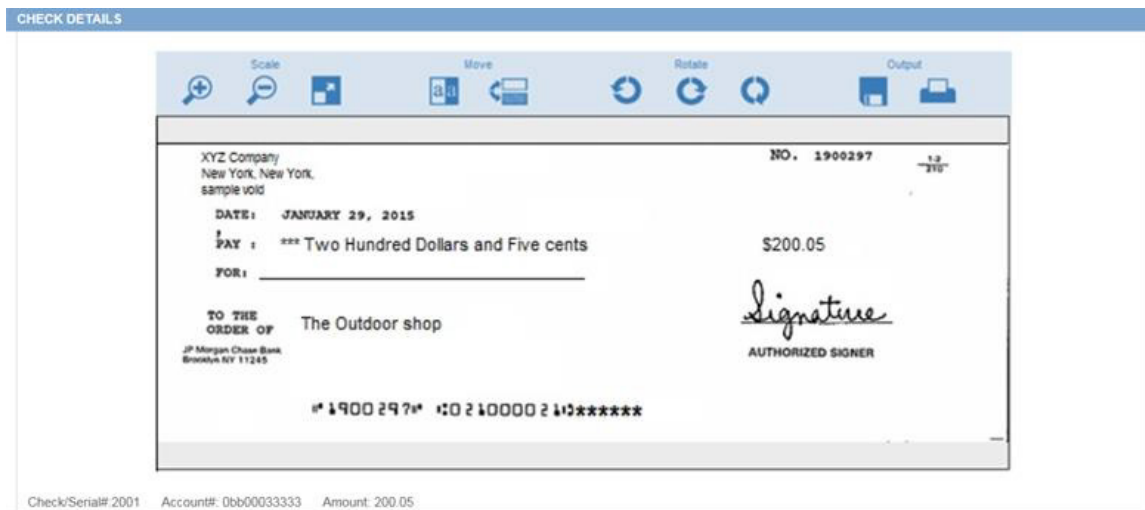


Figure 5

Images are stored and available for online retrieval for a standard period of 7 years, with the option of extending to 10 years.

Online bank statements

Bank statements include all transactions posted to the account including all checks paid by check number with paid amount. Online bank statements also include images of checks paid during the statement cycle. Save and print the statement in PDF format, as well as export data to an Excel spreadsheet or in CSV format.

Image transmission

We can provide image files daily, weekly or monthly. An index is also provided with the tiff images. There is no specific image viewing software required to view the images.

11. Describe the features you provide to streamline the bank reconciliation process.

We differentiate our reconciliation features from other providers through excellent service, superior products and innovative technology. Technology is a key component of our continued success offering account reconciliation.

Streamline your account reconciliation process through our comprehensive check services solution.

Information reporting

Receive both **prior-day** and **current-day** information on J.P. Morgan Access.

Our online portal provides a powerful tool that delivers timely, accurate data through reports that are easy to create and read—helping you analyze and manage cash flow.

Cash reporting tools let the City create, customize and run up-to-the-minute reports on its accounts, all from a single location.

Your users select the information needed in the way they want it presented and schedule reports from a single page. And output is flexible—download the report in Excel, PDF or CSV format. Monthly DDA statements can also be exported to Excel or in CSV format.

Receive prior-day information reporting by 7:00 a.m. local time, based on where each account is domiciled. Receive current-day information of transactions posted (memo-posted transactions)—such as lockbox, wire, ACH, returns, controlled disbursement and demand depository accounts—throughout the day, within minutes of receipt or completion.

Positive pay

The **choice is yours**—manually enter, upload files or transmit positive pay information for sending voids/cancels and stop payment requests to update your issue file. For validation, receive automated acknowledgement of your transmission within one hour of file receipt, via the banking portal or transmission.

Review **digital images of exception items** and instruct us to pay or return each exception. Payee name exceptions are conveniently delivered along with all other types of exceptions, so you can easily use the most

up-to-date fraud protection services. To know when to perform your positive pay review, sign up to receive **email notification** when exceptions are available.

Account Reconciliation

Be confident that our account reconciliation services solution **simplifies and automates** the reconciliation and reporting processes to save you the expense and time associated with the manual balancing of your bank statements. We offer a broad range of account reconciliation services—from robust reports with detailed information on all checks issued and posted to a simple listing of paid checks—that gives you fast access to account information and helps **protect you from fraud**.

Receivables Online

Receivables Online (RO) is a cloud-based receivables management dashboard and account reconciliation solution accessed through J.P. Morgan Access®. It combines **advanced image and data capture technology** to deliver a consolidated view of current-day and long-term remittance data. Clients can also use simple navigation, advanced queries, payment alerts, and workflow tools give accounts receivable, credit and customer service staff the ability to make informed business decisions quickly **without handling paper documents**. In addition to having access to view receivables information online, clients can also **establish file integration** with their systems of record to import data for cash application and reconciliation reporting.

We discuss these services and features in greater detail in [Section L – Account Reconciliation](#).

Section D – Collateralization of Deposits

The bank is required to collateralize public funds deposits under the California Government Code, Sections 53651 and 53652. Copies of the reports filed with the State of California shall be made available to the City upon request. Please detail the bank’s procedures for collateralizing public funds deposits.

1. What types of securities are used as collateral? Can the City select the type of collateral used?

The Bank is currently pledging U.S. Treasury securities to secure Local Agency deposits and State Agency deposits. The amount and types of collateral pledged are subject to change, but will be in accordance with the California Government Code (for Local Agency deposits, Government Code §§ 53651, 53651.2, 53651.6 and rules established by the LASP Administrator; and for State Agency Deposits, Government Code § 16522).

2. Which bank department is responsible for tracking deposits and monitoring collateral?

The Bank has two groups for tracking collateral and reporting: Firmwide Regulatory Reporting and Analysis (FRRA), which conducts all reporting to the LASP Administrator, and NCMG, which conducts security pledging (and other collateral transactions) with the LASP Administrator.

3. Will the City receive regular updates or notifications regarding the status of the collateral?

The Bank is required to provide reporting to the LASP Administrator in such frequency and in such format as described in California law and LASP rules. The Bank is unable to provide collateral reporting for LASP pool program customers because the collateral pledged covers all California Pool participants and is not segregated to a specific customer. Request of proof of collateralization for LASP pool program customers can be submitted to:

Contact Information	
Proof of collateralization requests can be made for LASP pool program customers by:	
Phone	(415) 542-6305
Fax	(415) 263-8508
Email	Joe.Lam@dfpi.ca.gov
U.S. mail	Department of Business Oversight, Division of Financial Institutions One Sansome St, Suite 600 San Francisco, CA 94104-4428

4. What is the bank's current level (\$ amount) of California public funds deposits and the related collateral?

We currently hold several billion dollars in public deposits, and we pledge collateral to secure such public deposits through our National Collateral Management Group to numerous government clients in the State of California (including several cities in California) and throughout the country.

Types of Collateral Pledged

The Bank is currently pledging U.S. Treasury securities to secure Local Agency deposits and State Agency deposits. The amount and types of collateral pledged are subject to change, but will be in accordance with the California Government Code (for Local Agency deposits, Government Code §§ 53651, 53651.2, 53651.6 and rules established by the LASP Administrator; and for State Agency Deposits, Government Code § 16522).

5. What is the frequency of reporting to the State Treasurer's Office?

Please see our response to question 3 above.

6. How does your bank ensure compliance with the state and federal regulations regarding the collateralization of government deposits?

JPMorgan Chase Bank, N.A. (the Bank), through its National Collateral Management Group (NCMG), employs a Bank developed Corporate Collateral Management System (CCM), which provides daily monitoring of deposit balances and security value for collateralization purposes.

CCM is reviewed each Federal Reserve banking day by dedicated Collateral Managers for compliance with collateral requirements. The Bank provides required reporting to the State of California Local Agency Security Pool (LASP) administrator. The Entity may contact the LASP administrator directly with questions regarding the Bank's compliance with the LASP program.

7. Please include a copy of the Bank's Contract for Deposit of Moneys in this section

Please see Appendix 2 for a copy of our sample Contract for Deposit of California Local Agency Funds.

Section E – Bank Compensation

The City has historically paid for bank services with a combination of hard-dollar fees and compensating balances. Please indicate the following in this section:

1. **Can the City compensate the bank for services with fees, balances, or a combination of the two at its own election? Please describe any differences in related costs to the City with either option.**

Yes. We accept compensation based on fees and/or balances, with no difference in unit prices.

- **Fee Compensation:** If you choose a fee compensation plan, balances are not used to offset any service charges. Total service charges are debited from a designated account, generally monthly.
- **Balance Compensation:** If you choose a balance compensation plan, eligible balances are used to calculate an earnings credit allowance to offset service charges. If eligible balances are sufficient, the earnings credit allowance offsets the service charge. If the level of eligible balances does not fully cover the fees, remaining service charges are debited from a designated account, usually monthly.

2. **Can the City choose between paying for analysis deficiencies by check, auto debit, or ACH?**

Yes. Our standard method of payment is direct debit. We also accept ACH, wire or check for payment of fees as an exception. Payment is due within 30 days of the invoice date. As part of the exception agreement to process payments outside of direct debit, we reserve the right to direct debit for past due fees beyond 60 days.

3. **What is the bank's Earning Credit Rate (ECR) based on, and how is the credit calculated, and how is it applied to offset fees?**

The earnings credit rate is a bank managed rate that we review and update periodically after considering a range of factors, including the market rate environment. Using a managed rate helps to **maintain pricing flexibility** while helping **to protect you from the short-term rate volatility** that could result from using an indexed rate.

The earnings credit allowance is calculated based on the average daily positive collected balances in the non-interest-bearing accounts less the reserve requirement (currently 0%) using the following calculation:

Monthly earnings credit allowance calculation

(Average monthly investable balance x ECR x actual number of days in month)

Actual number of days in year

Offset certain banking service fees with an earnings credit and realize greater value for your cash compared to other short-term investment alternatives.

Benefits of our approach to using earnings credit to offset banking fees

Enhance liquidity by enabling access to funds throughout the business day for self funding, working capital or other needs



Reduce overall cash outlays for banking service fee expenses to help optimize operating value

Maximize value of cash balances, improve operating income and relieve budget pressure



Reduce counterparty risk because balances are obligations of JPMorgan Chase Bank, N.A.

View real-time reporting and consolidated billing information through our online portal



Increase efficiency when earnings credits are automatically applied to offset service fees

JPMorgan Chase Bank, N.A., has the financial strength organizations look for in a global operating services provider with a fortress balance sheet and short-term rating* of A-1+/P-1 by Standard & Poor's and Moody's, respectively.

** Credit ratings are provided for information purposes only. Credit ratings are solely the opinions of the rating agencies. We do not endorse, and accept no responsibility for, the credit ratings issued by the rating agencies. Credit ratings may be changed, superseded or withdrawn by the rating agencies at any time.*

Earnings credit—How it works

Using earnings credit to reduce bank fees for services is a practice widely used by companies and financial institutions in the U.S.

Operating balances held overnight in non-interest-bearing DDAs receive earnings credit. End-of-day account balances are averaged for the billing month, and an earning credit rate is applied to calculate the earnings credit allowance (ECA).

At month end, the ECA is automatically applied as an offsetting credit to eligible banking service fees. The earnings credit rate can be applied either on standalone accounts or across a billing group.

Monthly service fees are reduced up to the amount of earnings credit gained on balances. If the ECA is equal to or greater than total banking service fees, offset all fees incurred that month. If the ECA is less than the total banking service fees, you pay the differential between the earnings credit offset and total banking service fees for the month.

4. List the bank's actual ECR for each of the last six months (July – December, 2024).

Please see our ECR rates from July – December 2024 in the below table.

ECR rates			
July 2024	3.72%	October 2024	3.32%
August 2024	3.72%	November 2024	3.12%
September 2024	3.72%	December 2024	3.12%

5. Using the ECR for the month of December 2024, please calculate the level of compensating balances (after float and reserves) needed to offset one dollar of the bank services. (\$1 in services = \$ _____ in compensating balances.)

The City will need \$389.96 in compensating balances to offset \$1.00 of fees.

6. Please explain in detail, how and when the FDIC assessment is computed and charged.

We charge a balance-based charge (BBC), which is a monthly administrative fee assessed to address various regulatory and other charges affecting the bank. The rate is set by the bank and subject to periodic review and adjustment.

We use the following formula to calculate the BBC:

Balance-based charge calculation (monthly)

$$\frac{\text{Average positive ledger balance} \times \text{charge rate} \times \text{number of calendar days in the month}}{\text{Actual number of days in the year}}$$

Since January 2, 2010, our BBC rate has been 0.13%.

As with other eligible fees, the monthly BBC may be offset by earnings credit provided by us. This charge is included in monthly account analysis statements.

7. What is the bank's settlement period for account analysis and billing purposes – monthly, quarterly, semiannually, or annually? How long can any excess balances be carried forward to apply to charges in future billing periods?

As the standard option, we offer **monthly settlement** with fees debited on the 15th calendar day of the month following the close of the billing period. Alternative schedules may be quarterly, semiannual or annual and are subject to negotiation.

Account analysis statements are generated monthly, regardless of settlement period.

Earnings credit is calculated and applied within the billing cycle it is earned.

You may carry forward excess credit amounts to the next billing cycle on an exception basis.

8. How long will the bank's pricing, as indicated in this proposal and the Banking Services Bid Form, be fixed?

If we are awarded the contract, all pricing and fees included in this proposal shall remain fixed for a 3-year period from the start of the contract. Any extension period shall be subject to negotiation of mutually agreeable terms, pricing and fees.

9. Please detail which types of items and services can be applied against the account analysis in addition to the standard bank services, such as merchant bankcard processing, supplies, custody services, etc. Is there a markup for any of the items? If so, how much?

Account analysis can be effectively utilized to offset a variety of items including, but not limited to:

- **Supplies:** This encompasses a range of necessary banking supplies, including check scanners and deposit supplies. There is no markup applied to these items. We are committed to providing transparent and cost-effective solutions to our clients.

A customized pricing pro forma is provided in Appendix 3.

10. How does the bank charge for overdrafts? Does the bank charge for the use of uncollected funds? If so, how is the charge calculated?

All of your accounts are netted together for tracking intraday liquidity usage. Real-time balance and transaction information is available via our online portal.

Daylight overdrafts are referenced in the context of either intraday credit line (IDL) or intraday liquidity (Fed daylight overdraft) usage. The bank does not charge for intraday or daylight overdrafts.

We charge for the use of end-of-day (EOD) uncollected funds by applying a daily variable overdraft (OD) rate to individual DDAs for each day an overdraft occurs. There may also be a fee per occurrence. Offset Interest and overdraft fees are eligible for offset with earnings credit allowance generated through positive investable balances associated with related stand-alone or group billing relationships.

The negative collected balance fee is calculated daily, as follows:

Negative collected balance fee calculation

$$\frac{(\text{negative collected balance} \times \text{overdraft rate})}{360 \text{ days}}$$

There is also a per occurrence fee for each day an account maintains an EOD negative collected balance.

Our policy is that collected balances be maintained in the account(s) at all times in order to cover daily cash disbursements. Credit arrangements or netting/pooling arrangements that may be required would be determined and discussed in advance with the City's relationship manager.

11. Please state the negative collected balance charge that the City will pay and, in detail, explain how this charge is computed. Is the rate quoted in this proposal good for the term of the contract?

The formula for EOD negative collected balance fee is as follows:

Negative collected balance fee calculation

$$\frac{(\text{Negative collected balance} \times \text{OD rate}^* \times \text{number of days overdrawn})}{360 \text{ days}}$$

*OD rate = J.P. Morgan's Prime +3%

12. Are Account Analysis Reports available online? If so, specify the cost.

Yes. The City receives an account analysis statement via our online portal each month identifying all services provided, product volumes and the resulting service charge incurred. As per the pricing proforma, there is no charge for account analysis statements online.

Please note that mail postage fees for J.P. Morgan Access Check Print service are not charged through account analysis. You receive a direct debit to your account for these separate fees.

Benefits of our approach to electronic account analysis statements

Get statements faster by downloading a PDF version on the sixth business day after your billing period closes



Analyze your way by grouping specific accounts and billing relationships together for online analysis

Export billing statement data into Excel or text (CSV) for further analysis using robust encryption technology



Manage access with user profiles that give access to specific accounts or billing relationships and in-house password resets

Account analysis statements—How it works

Each month, you receive a detailed account analysis statement for your account. If you have multiple accounts, you receive a summary account analysis statement for your entire billing relationship in addition to a detailed account analysis statement for each individual account. The statement includes:

- **Balance/Compensation analysis:** Provides a summarized view of the balances, service charges and earnings allowance applied to your account.
- **Service/Activity analysis:** Details the services used in the statement month by product category.

You can retrieve your electronic account analysis statements on the sixth business day after the close of the billing period. View, print and export all sections of your account analysis statement through the online portal.

Analysis statements are available in PDF, Excel and CSV formats. Additionally, EDI 822 format is available through direct transmission or secure email. We also offer CAMT.086 ISO formatted billing files, the newest industry standard electronic statement, for both U.S. and non-U.S. accounts.

You can group specific accounts and billing relationships together for online analysis purposes and create user profiles giving access to specific accounts or billing relationships, as required.

We do not charge a fee to provide account analysis statements online.

13. What procedure is used to make any adjustments to the Account Analysis statements, how long does it take for adjustments to take effect, and is there a fee to make the changes?

No, there is no fee for adjustments. Details of adjustments to prior periods are provided in separate sections of the current analysis statement and labeled as such in the Financial Recap section.

The City should notify us in writing of any errors or not receiving an account analysis statement within 60 calendar days after the statement is made available.

Errors are researched thoroughly so appropriate adjustments can be applied to the account.

Should there be a billing error and adjustments not completed prior to the direct debit, we will post the difference between the original and corrected service charge as a separate transaction.

Section F – Deposit Activity

The City utilizes a variety of methods to process daily deposits. The City is currently under contract for an armored carrier service to perform weekly cash deposit pick-ups at four (4) locations in Murrieta. These locations include Murrieta City Hall, Community Center, Library, and Youth Center.

Total monthly deposits may consist of checks, coins, and currency. Deposited items should be automatically re-cleared once. Checks that are returned are mailed to the City. The City requires the ability to use the local branch to make branch deposits, get change, allow vendors to cash checks, allow employees to cash payroll checks, and for other miscellaneous activities.

1. Please identify your branch locations within the City of Murrieta. Do all locations provide night depository services?

Branch locations, address and hours of operation are provided in the table below. The deposit cutoff time is the branch closing time Monday through Friday, 5:00 p.m. local time for branches in your area. Night depository service is available at the following location(s).

Commercially enabled branch name	Address	Hours of operation (Local time at branch)
Murrieta	40655 California Oaks Rd Murrieta, CA 92562	Monday – Friday: 9:00 a.m. to 5:00 p.m. Saturday: 9:00 a.m. to 2:00 p.m.

* Branch hours are subject to change and are posted at each branch location.

As a business practice, we regularly review branch and ATM activity, which may result in branch openings and closings, ATM placement or removal, or in the change of branch bank or ATM functions. Therefore, branch and ATM locations and functions may change from time to time.

2. Please describe the bank's deposit requirements. How should the coin and currency deposits be prepared? How should un-encoded check deposits be prepared?

The City receives materials, including detailed deposit preparation procedures during the initial implementation meeting. Instructions for deposit preparation are summarized below.

Deposit bag requirements

- Must be a clear, tamper-evident, dual-pouch, "cash and check" plastic security bag
- The pouch designated for deposit tickets, checks and money orders should have a resealable closure
- The pouch designated for cash should have a tamper-evident closure

- The two pouches must be clearly separate from each other, so that there's no access from one pouch to the other
- One side of the bag must be clear to verify the contents
- The bag number must be barcoded on the outside of the bag

Type of bag required for coin deposits greater than \$10

We require disposable, heavy-duty, plastic coin bags for coin deposits greater than \$10. Coin deposits greater than \$10 may be verified on a delayed basis. Coin deposits greater than \$10 should be directed to a vault for processing.

Our advanced deposit processing equipment provides the City with timely and accurate posting of your deposits. Once received, our Vault Management System tracks all deposits individually from the point of delivery through verification and posting of the deposit.

Check preparation

First, endorse your checks. The endorsement stamp is a seven-line endorsement legend that conforms to the specifications set forth in Federal Regulation CC. Place the stamp within the first 1.5 inches of the trailing edge of the back of the check.

Next, prepare your check deposits:

- Stack all checks face-up in the same direction.
- Attach a list, such as a calculator tape, computer list or handwritten list showing the sum of the checks in the deposit.
- List checks in the same order as they are in the stack.
- Include a maximum of 100 checks per deposit

Standard currency and coin preparation

For deposits with currency and small amounts of coin, sort currency by denomination. Enclose only one deposit per deposit bag.

Preparing Fed-Ready deposits

To prepare a Fed-Ready deposit, place the appropriate strap per 100 notes of the same denomination as follows:

Strap	Color	Strap amount
Hundreds	Gold	\$10,000
Fifties	Brown	\$5,000
Twenties	Purple	\$2,000
Tens	Yellow	\$1,000
Fives	Red	\$500
Twos	Green	\$200
Ones	Blue	\$100

If you do not have enough notes for a standard strap, combine the denominations under one reversed strap, sorted from the smallest to the largest denomination. Place the strap around the currency with the strap reversed (the color/printed side down). Write the total dollar amount on the strap.

The person preparing the straps (all straps, including Fed-Standard and partial) writes legibly or stamps on each strap:

- Location name
- Location number (if applicable)
- Current date
- Preparer's initials

Unfit currency (i.e., badly soiled, dirty, defaced, disintegrated or torn) should be sent in full straps for credit. Mutilated currency that has been damaged by fire, flooding, chemicals, explosions, animals or insects should be sent to the Bureau of Engraving and Printing. For further information please visit the following web site: <https://www.bep.gov/services/mutilated-currency-redemption>.

Preparing coin deposits

Small amounts of coin

Place small amounts of coin under \$10.00 in an envelope. Write or stamp the depositor's name, current date, preparer's initials and the total amount on the envelope. Place all of the loose coin inside the envelope and seal the envelope. Place the envelope in the deposit bag with the currency.

Large amounts of coin

For large amounts of coin, place the loose coin inside a disposable plastic coin bag. All bagged coin deposits must have a declared value. If you have multiple bags for a single deposit, number the bags (e.g., #1 of 3, #2 of 3, #3 of 3). Do not wrap coin. Each bag must be individually labeled with amount, client name, location number, deposit date and preparer's initials.

Bulk coin deposit tickets must be sent separately to the vault in an envelope or tamper-evident bag. Do not enclose the deposit ticket in the bag of coin. List the bag numbers on the deposit ticket. We do not accept bulk coin deposits at the branch.

Full bags

Single denomination, loose coin should be counted, bagged and sealed in disposable plastic bags in the increments as follows:

Denomination	Full bag amount
Dollars	\$2,000
Half dollars	\$1,000
Quarters	\$1,000
Dimes	\$1,000
Nickels	\$200
Pennies	\$50

In the area indicated on the bag, write:

- Location name
- Current date
- Preparer's initials
- Amounts contained in bag

Mixed bags

Multi-denomination, loose coin should be bagged and sealed in disposable plastic coin bags weighing no more than 50 pounds. In the area indicated on the bag, write:

- Location name
- Current date
- Preparer's initials
- Amounts contained in bag
- "Mixed Coin"

Completing the deposit ticket

Deposit tickets should be preprinted with your location name, address, location/store number and account number, and should include the following:

- Current date
- Preparer's initials
- Bag serial number
- Dollar amount

If multiple locations are depositing into the same account, the unique location identification number (ULID) must be included in the MICR line field on the deposit ticket for reporting.

To expedite your currency and check deposit, we recommend a separate deposit ticket for:

- Currency and loose coins totaling less than \$10.00
- Loose, bulk coin more than \$10.00
- Checks

For mixed deposits that include currency, coin and checks, provide subtotals for each category listed.

Bulk coin deposits require a separate deposit ticket. The deposit ticket should list a breakdown by denomination. The coin deposit slip must be sent separately to the vault in a tamper-evident bag, not enclosed in the bag with the coins.

Unencoded check deposits

As part of the City's initial depository service setup, we provide a transmittal form with instructions on how to prepare physical checks for deposit. Additional forms may be ordered as needed. The following is an overview of the requirements for depositing unencoded checks:

Instructions on how to use deposit tickets

- Include with each check deposit an original, preprinted deposit ticket with our name on it
 - Deposit tickets are ordered as part of the implementation process
- List each deposit total on the courier receipt if a courier delivers deposits
- Include no more than 100 checks per deposit
- If multiple deposits are made, keep each deposit together with its individual deposit ticket

Helping you with deposit preparation

- Endorse the back of every check with: "For deposit only in Account (Name and Number) with JPMorgan Chase Bank, N.A."
- Place this endorsement on the back of the check in the area at the left edge of the check; it should not extend more than 1½ inches from that left edge
- Prepare items in a condition to be processed on high-speed sorters
- Remove staples, paper clips, tape and wrappers
- Checks should not be folded, bent or torn. Put any torn checks in carriers or repair them
- Place all checks right side up, facing the same direction, with the MICR line on the bottom edge
- Don't write on the MICR line (the lower edge of the check or deposit ticket) or bar code on the deposit ticket
- Include a tape listing each item/check in the package with each individual package of checks:
 - Create a readable listing tape (lister tape) for each package of checks, detailing all checks in order—up to 100 checks per package deposit
 - Mark all adjustments on the tapes clearly
 - Place the individual tape listing for a package of checks in front of the package; it's not necessary to wrap the package of checks with the tape listing
- Detach and retain any copies of the deposit ticket for your records
- Place deposit in a clear or transparent tamper-resistant plastic bag
- Seal the plastic bag

Documentation

Expedite collections of lost paper cash letter items through the depositing/clearing process. We strongly suggest that you retain one or more of the following:

- Image or photocopy of the front and back of each check
- Detailed description of all checks, such as MICR line information, name, address, bank name, bank account number and/or check number
- Image or photocopy of each tape listing the checks deposited

Please keep in mind, if you don't retain one or more of these items, we won't be liable for any associated losses.

Delivery

Paper check deposits are delivered to a designated vault site using an approved courier service. We accept responsibility only for work receipted or signed for at the site.

Please see Appendix 4 for our Cash Vault Deposit Preparation Guide.

3. How would the City order cash vault supplies? How is payment made for such supplies?

We provide you with access to the deposit bag vendor at preferred prices. The bank has implemented a **full-service program** for ordering, billing and drop-shipping deposit bags to client locations. Order bags online at www.chasebags.com or call the vendor directly at 866-458-BAGS (866-458-2247), from 5:00 a.m. to 4:00 p.m. PT.

No fees are levied above those charged by the vendor. The cost of bags is the same as that paid by our branches and vaults. Billing gets itemized by location on the bag vendor's statement and billed directly to an account or the vendor may charge a credit card.

Fees include the cost of the bag and standard UPS Ground delivery. Only sales taxes are additional, when applicable. Prices depend on the size of bag ordered.

Additional supplies, such as deposit tickets, are ordered via www.chasebags.com. We debit your account for deposit tickets. Other depository supplies may be charged through account analysis.

4. Please describe in detail the bank's procedures for handling deposit adjustments. What documentation on discrepancies does the bank provide?

The chart below outlines standard procedures for reporting deposit adjustments and options available to you.

Standard and options for reporting deposit adjustments

Branch

The standard delivery method for adjustment advices is the U.S. Postal Service. We mail adjustment advices within one business day of verification to the address listed on the deposit account. The location number can be included on the adjustment advice.

For paper check deposit, we can mail a second copy of the adjustment advice to an alternate address. However, for cash deposit adjustments, we're not able to mail an adjustment advice to an alternate address, nor can we send copies to multiple addresses.

The credit or debit deposit adjustment can also be viewed online and on your bank statement with the dollar amount and location number, depending on whether the deposit is delivered to a vault or branch.

Vault

In addition to online viewing, we also offer the following notification options to supplement the paper advice:

- **Email:** Next-day notification for all deposits and adjustments processed during the prior processing day
- **Receipt mailer:** Mailed next day for all deposits, adjustments and change orders processed during the prior processing day
- **Web:** Adjustment reports are available online through Web Currency Services

Vault deposit adjustment advices also include the original deposit amount, original deposit date, processing vault ID and adjustment reason.

Electronic deposit using Remote Deposit Capture

For images that can't be forwarded for collection because they don't meet Check 21 requirements, we send an email notification to you on the next business day.

5. Is the deposit adjustment documentation different from cash deposits and check deposits? What is the minimum adjustment amount? How soon would support documentation of a deposit discrepancy be provided to the City and in what form is the notification provided?

Deposit adjustments vary by channel—branch, check or vault.

We process all adjustments regardless of dollar amount. We internally manage adjustments below a predetermined sundry amount without posting the corrected entries and related fees to your account.

Both vault and branch transactions are subject to the \$2.00 sundry amount.

The deposit adjustment information provided to you includes: the deposit ticket date, credit date, verified date, declared deposit amount, verified deposit amount, denominational breakdown and any adjustments along with the associated reason code.

Please see the below for adjustment information.

Cash (Branch)

Branch cash adjustments are available by mail and are reported on the online portal and the bank statement. The mail advice contains the following data:

- Account number
- Location number
- Customer name and address on the deposit ticket
- Credit date
- Declared total deposit
- Amount declared cash deposit amount
- Verified cash deposit amount
- Cash adjustment amount
- Processing branch ID number and processing branch name

Check

Check deposit adjustments may originate from either the system that processed the initial deposit or from Adjustments Operations.

Check deposit adjustment mail advices from the deposit system contain the following data:

- Account number
- Location number
- Transaction reference number
- Customer name and address
- Credit date
- Verified date
- Declared deposit amount
- Adjustment amount
- Detailed adjustment reason with explanation (supporting documentation is included with some error types)
- Check processing location ID and name
- Processing teller ID number and approver teller ID number

Refer to the previous question (#4) for timing and delivery method information regarding support documentation for deposit discrepancies.

6. What are the cut-off times for deposits at the bank’s local branch and at the bank’s Processing Center to ensure same-day credit? Where is the Processing Center/Cash Vault located? Will the City deal directly with the Cash Vault on deposit adjustments or with a local representative?

You will work directly with your CSA for any deposit adjustments or questions.

The City receives same-day funds availability for cash deposits, incoming wire, ACH transactions and checks drawn on us. The cutoff time for each transaction is detailed below.

Deposit cutoff times	
Cash deposits	
Branch deposits	Times vary by location, but are typically between 5:00 p.m. and 6:00 p.m. branch time.
Branch night drop deposits	<p>7:30 a.m. branch time.</p> <ul style="list-style-type: none"> Select branches offer a second opening in the early afternoon. Deposit cutoff times are clearly indicated on the face of each depository, as required by law.
ATM deposits	<p>8:00 p.m. PT.</p> <ul style="list-style-type: none"> Deposit cutoff times are clearly posted at each ATM.
Vault	<p>We recommend you use our Los Angeles vault location. Our Los Angeles vault has the following cutoff times:</p> <ul style="list-style-type: none"> Cash-only deposit: 8:00 p.m. local time of the vault Mixed (cash and check) and check-only deposit 5:00 p.m. local time of the vault <ul style="list-style-type: none"> We regularly review vault activity as a business practice, which may result in openings, closings and changes to cutoff times. Coin deposits greater than \$10.00 may be credited to your account on a delayed basis.
Check-only deposits	
Remote deposits	<p>Remote Deposit Capture (including mobile): 7:00 p.m. PT, with same-day ledger availability based on endpoint.</p> <ul style="list-style-type: none"> <i>With ACH</i>: 7:00 p.m. PT for same-day ledger availability based on endpoint. All transactions cleared as ACH debits are fully available the next business day.
Electronic deposits	
Wire transfers	Wire transfers are credited and available in near real time throughout the day. The cutoff time for incoming credits is the close of Fedwire, which is 3:45 p.m. PT.
ACH	<p>For ACH credits, you receive availability (memo post) for ACH collection on opening of the business day on the settlement date. A hard post of the funds happens at the end of the business day.</p> <p>For ACH debits, any same-day originations are settled at the end of the business day.</p>

The City can contact your designated CSA for assistance with deposit adjustments.

7. Please describe the bank's returned item handling and notification procedures. Is an automatic re-clear option available? How long does it take for returned items to be sent to the City and is what form is the notification provided?

Your return item handling instructions are maintained within a comprehensive database at the bank. During the check clearing process, the paying bank may return deposited checks for a number of reasons, including non-sufficient funds (NSF), uncollected funds, stop payment, account closed, etc. We route most returned items through the Federal Reserve System to regional return processing areas.

After processing the City's return items per your handling instructions, the return system generates a debit to the designated demand deposit account (DDA). We match the actual return items to a return item advice and mail them to the DDA statement address via First Class U.S. mail. The return advice lists the dollar amount and the reason for return for each item.

Non-standard options—return items

To meet the City's return item needs, we offer a variety of options, including posting options, delivery options, and redeposit options, and automatic redepositing and options for such, as described in detail.

During your account implementation process, your onboarding specialist works with you in setting up the options to assist you in managing your returned items.

Return item advice and options

General

	Advices are generated throughout the day and sent via First Class U.S. mail. Advices contain actual return items and the following information:	
	<ul style="list-style-type: none">• Processing date (debit date)• Advice number• Deposit account bank number• Deposit account number	<ul style="list-style-type: none">• Dollar amount of each return• Return reason for each return• Internal bank sequence number per each return• Total debit amount for the advice
	Choose the following optional information to include on the advice:	
	<ul style="list-style-type: none">• Alternate chargeback account bank number: Receive returned items and the accompanying advice at an address different from the account statement address• Location number: Receive the location (up to 10 digits) number for return item reporting:<ul style="list-style-type: none">▪ Deposit tickets to include the location number in the MICR line▪ Endorsement stamp for each location to include that number• Maker name for each return: As required for RCK, receive check writer's name (data-keyed by the bank up to 12 characters)	

Return item advice and options

Advice options

- **Standard advice:** Lists up to eight returned checks
 - If location processing is requested, advices produced by location
 - If requested, the maker's name (first initial and last name) included on the advice
- **Cash letter advice:** Lists all return checks processed during the current cycle, multiple advices may be created during the processing day
- **Extended data advice:** If extended data keyed, additional fields appear on advice
- **Single item advice:** Each return appears on a single advice

Posting options

- **Single item posting:** Each return posts individually to your account
- **Advice-level posting:** The account debits at the advice level
- **End-of-day posting:** All returns for the day's processing post as a lump sum to the account

Additional delivery options

- **Alternate mailing address:** Returned items and the accompanying advice sent to an address different from the account statement address
- **Expedited delivery:** Return items and accompanying advices via an overnight delivery service, and you supply the billing account number, contact name, preaddressed labels and envelopes
- **Duplicate advice:** Mailed copy of the return item advice at a second address, with expedited delivery also available
- **Duplicate check copy:** Mailed copy of the actual returned item at a second address, with expedited delivery also available

Non-standard options—automatic redeposits

The City's eligible checks returned for the first time can be automatically redeposited. We can redeposit all eligible returned checks, only checks under a certain dollar amount or only checks greater than or equal to a certain dollar amount. Collection float for the redeposited items posts to the City's account.

Automatic redeposit and options

Redeposit posting and notification

We provide three options for redeposit posting and notification:

- Option 1: The redeposit does not appear on either advice or post to the account
- Option 2: The redeposit appears on advice and posts as debit and credit to the account
- Option 3: The redeposit appears on return item advice but does not post to the account

Automatic redeposit and options

Additional information

- Multicurrency deposited items are not eligible for redeposit
- Returned foreign currency checks are converted to U.S. dollars on the date the bank receives notice of dishonor

Online image viewing via our online portal

The online portal allows the City **next-day access** to return and redeposit item information and images. This solution allows your authorized users to electronically retrieve returns and redeposited item images. Our portal provides secure 24-hour, high-speed online access to your return and redeposit images.

To find an image, run a Returns and Exceptions Report or the Balance and Transaction Report on the online portal. The front and back of the returned item is available. Then click on the icon for the return item image to view, print or export the image.

Return item notification and reporting

The City receives **email notification** as text-only or as text with image delivered via encrypted secure email. The email message contains the return item detail, and a separate attachment contains the returns images (front and back).

We offer flexibility:

- Group email addresses
- Choice of returns only, redeposits only, returns and redeposits, items over a certain amount
- Timing for email notification, such as immediate, hourly, end-of-day

Information reporting

View all return debits via our online portal. The data available depends on the posting option—single item or lump sum—that you select.

Current day

Throughout the day, your available balances are reduced to account for the end-of-day posting of returned items and for redeposit float

Each item is a reportable transaction and contains summary information: transaction type, check number and dollar amount. We process all returned items received during the day, which may be after the end of your business day.

Prior day

Prior-day reports are typically available by 7:00 a.m. local time of account domicile. Single-item posting data includes dollar amount, return reason, and, if enabled, location number and maker name.

We include the following data, if available: check number, original deposit amount and original deposit date. Lump-sum posting data includes dollar amount, location number (if enabled), advice number and number of items included in the debit.

Prior-day returns data is also available via BAI2 transmission, which includes the same data as described above.

Below are illustrative examples of how each type appears in prior-day information reporting, on the bank statement and in the BAI2 file. Actual data reported and record layouts vary depending on the return service options you select.

Posting examples	Prior-day reporting, bank statement and BAI2 layout	Comments
Single item posting with some optional fields	DEP ITEM RETURN DEPOSITED ITEM RETURNED NSF 2 nd 00289 MR MAKER #OFITEMS00001CK#00000131 DEP AMT000000024325960DEP DATE020110 CK AMT0000058549 16,555,58549,,0000000000000,/ 88,DEPOSITED ITEM RETURNED NSF 2 nd 00289 88, MR MAKER # OF ITEMS00001CK#00000131DEP AMT 88, 0000024325960DEP DATE020110CK AMT0000058549	<ul style="list-style-type: none"> Return Reason = NSF 2nd Store/Location Number = 00289 (if enabled) Maker name = MR MAKER (if keyed) Check Number = 131 (if available) Deposit Amount = \$243,259.60 (if available) Original Deposit date = 020110 (if available)
Lump-sum posting with location number	DEP ITEM RETURN DEPOSITED ITEM RETURNED 258574 SUB289 # OF ITEMS00003 <hr/> 16,555,2210551,,0000000000000,/ 88,DEPOSITED ITEM RETURNED 258574 88,SUB289 # OF ITEMS00003	<ul style="list-style-type: none"> Advice # = 258574 Lump sum posting will still be at the store/location level = 0000000289 # of items = 3 (total number of items on advice)

The Returns and Exceptions Report is available through our online banking platform. This functionality lets the City choose between a preformatted report and a data file.

The following information is available for prior-day returns: depository account number (or alternate account number), processing date, original deposit date, check amount, MICR line information of the item (RT number, account number and check number), return reason code, disposition code (return, redeposit or RCK conversion), location number (if used) and maker name (if used).

Returns and Exceptions Report

Cash Reporting - Returns and Exceptions Report

Company Name: UATWAMU

As of: 10/20/2009

Date Type: Post Date

J.P.Morgan

Report Filters

Beneficiary Name:	n/a	Viewing Option(s):	n/a
Amount Range:	n/a	Your Ref:	n/a
Status:	All Statuses		

****For Informational Purposes Only****

Bank: JPMORGAN CHASE BANK, N.A.

Account Number: 12345678900

Account Name: Your Account Name

Currency: USD

References	Company/Location ID	Amount	Post/Orig.	Status	Return/Reject Reason
Ref/Check #: 000000000001156	1696023083	238.79	10/20/2009	RETURN	R01 INSUFFICIENT FUNDS
Name: T JONES			10/17/2009		CHECKING
Bank: 322271627					
Account: 2222222222					
Cust. Trace: 082846402001610					
Bank Trace: 021000026695554					
Batch Desc: PAYMENT					
Orig. Name: FINE COMPANY					
<hr/>					
Ref/Check #: 00000000000118	1696023083	60.20	10/20/2009	RETURN	R01 INSUFFICIENT FUNDS
Name: W SMITH			10/18/2009		CHECKING
Bank: 111906271					
Account: 3333333333					
Cust. Trace: 082841902009349					
Bank Trace: 021000026695553					
Batch Desc: PAYMENT					
Orig. Name: SOME COMPANY					
<hr/>					
ID Sub Total:		298.99	Items:2		
ACH Return		298.99	Items:2		
<hr/>					
Ref/Check #: 304	1460	45.00	10/20/2009	RCK	01 NSF 1ST PRESENTMENT
Name: E CLARK					
Bank: 11100002					
Account: 5555555555					
<hr/>					
ID Sub Total:		45.00	Items:1		
RCK		45.00	Items:1		
<hr/>					
Account Total:		343.99	Items:3		
<hr/>					
Grand Total:		343.99	Items:3		
<hr/>					

End of Report

Figure 6

8. **The City utilizes a desktop deposit scanner to deposit most of its checks. What is your dollar amount limit for desktop/remote deposit? Is the City required to use specific equipment for this, or is our current desktop scanner model (TellerScan TS240) compatible with your system?**

We place no limits on number of deposits per day. Checks are scanned in batches and the City may create multiple batches throughout the day.

Equipment

We recommend either the Panini or the Epson product line depending on the items being captured.

The Panini EverneXT is generally used for check only scanning, and the Epson DS 770 II is used for checks and documents.

The City can purchase and/or use your own scanning equipment as long as it meets the supported scanners requirements. For a current list of our supported scanners and the requirements, please visit <https://www.jpmorgan.com/solutions/treasury-payments/remote-capture-resource-center>

9. **If the City is required to purchase new equipment that is compatible with your system, please provide any cost and/or credit associated with the required purchase.**

After your remote capture service implementation, the City will be able to purchase scanners with your transition credit. Our Remote Deposit Capture Resource Center site provides a link to the vendor site where you place your order. Although not required, the vendor also offers compatible endorsement stamps.

Section G – Wire Transfers

The City currently transacts outgoing domestic wire transfers online and receives incoming domestic wires.

1. **Please describe the bank’s online wire transfer capabilities (e.g., templates, one-time wires, two-party approvals, etc.) What is the deadline for initiating domestic wire transfers to ensure same-day processing?**

Our online portal provides you with a **complete range of funds transfer services supporting U.S. dollar** and multicurrency payments. Our solution supports wires (Fedwire and CHIPS), book transfers, drafts, account transfers and U.S. drawdown transaction initiations using both predefined (repetitive) templates and free-form formats. The deadline for initiating domestic wires transfers for **same day processing is 3:15 p.m. PT for a Fedwire and 4:15 p.m. PT for a book transfer (internal)**. Additional times are listed in the cutoff times section below.

Receive a client confirmation number immediately upon release to the funds transfer processing platform. Confirmation numbers are accessible using the cash reporting features of the banking portal.

Future-date capability is available, supporting 365 calendar days for same-currency wires initiated from U.S. accounts. We also support multibank payments, where you initiate wires from non-J.P. Morgan accounts.

Payment initiation via the internet

Our online portal makes it easy to initiate and manage transactions with the Payments functionality, a fully integrated function within the banking platform.

Benefits of our approach to payment initiation via the internet

Critical information, including balances and cutoff times, is at your fingertips while making payments



Powerful security of our design protects your privacy, preserves data authenticity and maintains strong operational controls

Make recurring payments using customizable templates and manage them easily



Customized experience with flexible sorting and filtering options you determine

Streamlined workflow and manage all transactions using our online portal



Resiliency option as a backup for contingency processing of File Transmission Payments

Templates

J.P. Morgan Access provides for a common set of intuitive templates for every payment method. For example, the City easily creates beneficiary templates with lockable and editable fields to set up recurring/repetitive payments.

Our online portal offers two kinds of templates to support the setup of repetitive wires.

Standard templates

Standard templates (City-verified, repetitive instructions) are controlled by you and are immediately available for use once approved and activated by your authorized users. You must supply the amount and value date, and may change fields that are eligible to be edited, such as payment details.

Enhanced templates

Enhanced Templates are setup and approved by the City but have the added feature of being verified and activated by the bank prior to use. Bank activation of these templates is usually a 24-48 hour turnaround, after which the template is available for use. With enhanced templates you supply only the amount and value date. Depending on the payment method and the account, you can also enter between one to four lines of payment details, as well as optional information on regulatory reporting and instruction code tabs.

Controls

J.P. Morgan Access allows complete flexibility for the City to designate the rights of each user on the platform. This includes comprehensive and configurable user entitlements, limits and approval workflow to provide optimal control. Services available accommodate a wide range of security options, including dual control among users and daily or transaction limits.

You can help reduce the risk of fraud or compromised data by separating duties, accounts and approval workflow. Your security administrators are the only individuals able to assign users with transaction initiation privileges.

Standard security administrator model

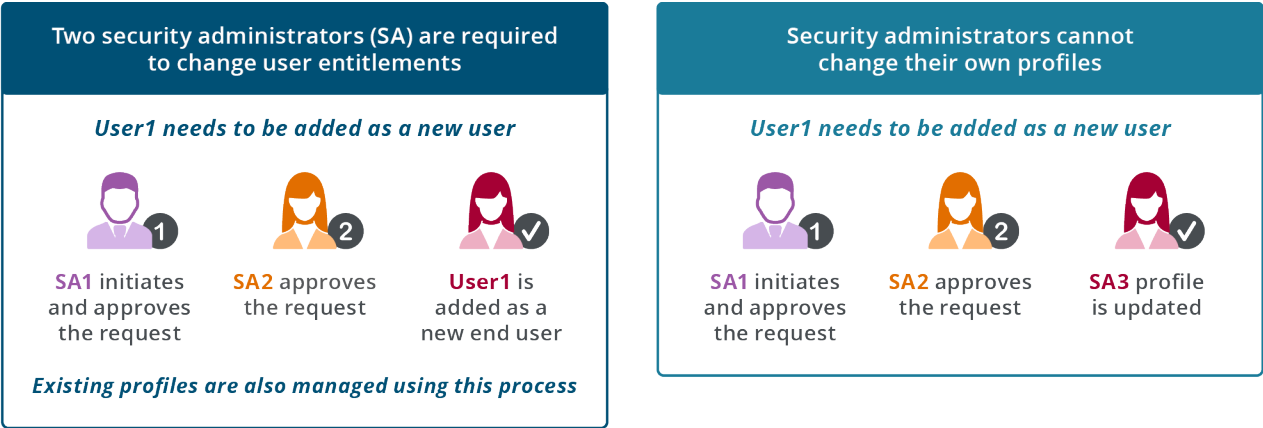


Figure 7

*The City may waive the requirement that a security administrator cannot make a change to their own profile providing a second security administrator approves those changes.

Cutoff times

Payment/receipt processing operates from 6:00 p.m. PT each Sunday through 4:00 p.m. PT each Friday, excluding U.S. Federal holidays. We provide our clients with generous cutoff times to enable same-day execution of their payment instructions by actively participating in the extended CHIPS and Fedwire operating hours.

USD clearing opens on Saturdays at 7:00 p.m. PT for Monday value date processing of book transfers initiated through the weekend and Monday, if also a holiday. Clients will have the ability to process their U.S. dollar book transfer straight through payments during these additional hours; however, repaired payments are delayed until the normal operating hours of the FED and CHIPS.

Timeframes are outlined below. Please note, payments requiring repair have a cutoff time 30 minutes prior to the times stated below. Payment instructions received after these cutoff times are completed on a reasonable-effort basis.

The cutoff times for wire transfers originated via the internet are as follows:

- **Fedwire:** 3:15 p.m. PT
- **Book transfer/internal:** 4:15 p.m. PT
- **Drawdown (via Fedwire):** 2:30 p.m. PT

2. What safeguards and security measures does the bank have in place to protect the City against fraud or unauthorized wire transfers?

Helping the City prevent wire transfer fraud on your accounts is a high priority for us. In addition to our online portal security features, the administration functions and implementation options offer you the ability to choose settings and features that help prevent fraud, including:

- We use multi-layered security designed to protect your data and transactions
- J.P. Morgan Access automatically prevent a single user from performing all actions (create, approve and release) on a single payment, even if the user is entitled to create, approve and release
- Our online portal provides two-factor authentication via RSA SecurID® token technology for those functions that demand an extra level of security
- Portable Security Transaction Protocol (PSTB), a patent-pending technology developed by us, uses RSA SecurID devices to digitally sign transactions and provide a level of security formerly available only using digital certificates
- The City can set up our online portal with strict controls over user access to functions and accounts, helping to enforce compliance with internal audit requirements while enhancing security; some of the available fraud prevention options include:
 - Enabling IP filtering to restrict access by limiting authorized users' ability to log on from only IP addresses you designate

- Customizing the payment approval process by creating rules that determine the number and identity of approvers for different types of transactions, including separate approval rules for repetitive templates and free-form wires, as well as the order in which that review must occur
- Separating duties, accounts and approval workflows, the City can help reduce the risk of fraud or compromised data; your security administrators are the only individuals able to assign users with transaction initiation privileges
- Limiting each user to a single, designated computer
- Requiring transaction and daily aggregate limits at the account and user level as a security measure to help reduce losses associated with erroneous or unauthorized transactions
- Creating templates with payment details to prevent wires from being initiated and executed without prior approval of the recipient bank account numbers and template details

3. What is the process for authorizing wire transfers, and are there any limits or approvals required?

The City establishes user entitlements. Your security administrators authorize users to create, modify, delete, approve and/or release wire transactions, as well as create, modify, delete, approve and activate predefined templates.

We require at least one approver for free-form wires or those initiated via repetitive templates.

J.P. Morgan Access automatically prevents a single user from performing all actions (create, approve and release) on a single payment, even if the user is entitled to create, approve and release.

At the point of release, the application requires two distinct users are involved in the payment life cycle, which includes the creation, approval and release of the payment initiated. Even if a user has all three entitlements, the user will still not be able to take all three actions on a payment on their own.

Two distinct users are also required in the creation, approval and activation of any underlying template.

Using the administration functions within the Manager menu in our online portal

Customize the payment approval process by creating rules that determine the number and identity of approvers for different types of transactions, including separate approval rules for repetitive templates and free-form wires, as well as the order in which that review must occur. The elements of an approval rule are:

- Payment Type
- Payment Creation Method
- Accounts/Account Groups
- Templates
- Transaction Amount Limit
- Approval Type (Sequential or Non-Sequential)
- Number, Type and Priority of Approvers

Categories enable you to classify users, tying approvals to a group or job function rather than a particular individual.

Section H – Automated Clearing House (ACH) Service Requirements

The City utilizes direct deposit services for bi-weekly payroll for the City. Approximately 100% of the City's employees take advantage of the direct deposit service. Please address the following:

1. Describe the bank's direct deposit services, including the software requirements and transmission options available.

Your employees can receive automatic electronic payroll payments to a designated checking or savings accounts when using our ACH service. No special software is required.

Typically, one or two days in advance of the designated payday, you send us a file containing the total amount to be paid electronically to your employees' designated accounts. For an additional charge, payroll transactions may be initiated with same day settlement, provided cutoff times are met. The offsetting amount is charged to your designated account with us on the day of settlement (payday).

Direct deposit options	
Origination method	
Larger volume	We recommend you use direct send transmission. You create a transaction file in standard Nacha format using industry standard applications. You will then transmit the file to us through a common protocol such as SFTP. The transmission is encrypted and sent to us for final ACH processing.
Lower volume	We suggest using our online portal. The banking portal allows your authorized users to enter the required ACH payment details in the fields provided as free-form payments or by initiating using a pre-approved template. In addition to initiating payroll, you can use the banking portal for ACH and wire disbursements and concentration.
Transaction type	
Prearranged payment and deposit (PPD)	Supply PPD files for next-day credits. For your employees to receive funds as available balances for ATM withdrawals on payday, you must deliver the file to us by 7:00 p.m. PT two business days prior to the settlement date. The file will be processed at the earliest ACH processing cycle so that the receiving depository financial institutions can post the credits to the employees' accounts by open of business on payday.
Same-day ACH credits	Send same-day ACH credits. All ACH credit transactions, except for international transactions (IATs) and transactions above \$1,000,000 are eligible for same-day processing.

2. Do you offer ACH services for both credits (e.g., payments to employees, vendors) and debits (e.g., collections, payments from customers)?

Yes. We offer ACH services for both credit and debit origination.

3. What ACH file formats are supported (e.g., NACHA-compliant formats), and can your system integrate with the city's financial software (Finance Enterprise by Central Square) for seamless ACH processing?

We support the industry standard Nacha format via file import on our online portal or direct transmission with host-to-host connectivity.

You may also use the import mapping utility to create maps when you want to import your proprietary delimited or fixed-width file for U.S. ACH payments into our online portal.

4. Is there direct support for file testing?

Yes. We provide direct support for testing the ability to submit ACH files via file transmission and our online portal, J.P. Morgan Access.

The City's **dedicated onboarding specialist** serves as your primary point of contact and coordinates the implementation of your services. A **technical implementation specialist** will:

- Coordinate with the onboarding specialist to coordinate setup activities for your data file transmissions.
- Assemble a team of production and systems experts to work closely with you throughout the process.
- Presents connectivity options.
- Provides set up and tests the connectivity link, and sends test files.

5. Discuss screening measures that the bank uses to minimize errors on files sent to the bank. Describe the process and timing available for file/error correction.

We have an 11-month duplicate detection capability; any file transmitted with the same Origin ID, Company ID and effective date of the first batch within the file, and exact item count and amount will be rejected. Additionally, if our system determines that the file received is a duplicate, we will call you the same day to verify.

Acknowledgements and confirmations are provided for successfully processed files, as well as files with errors identified during processing. Corresponding returns and rejects are provided through the same connectivity used for transmission. Our files are transmitted to clients with clear markers indicating whether a problem has occurred in processing. This allows for quick resolution and helps prevent payment delays.

We will respond to each input file with a level one confirmation. A level one response consists of file level validation and control information. It will also include J.P. Morgan front-end transaction validation. Each accepted transaction will be reflected with a confirmation record. Each rejected transaction will be reflected with a confirmation and reject record. A file trailer will also be sent. Additional levels of acknowledgements will be provided where applicable (FX transactions, ASC X12 processing etc.).

For J.P. Morgan Access uploads, you will receive a status of the file and whether there were any failed items.

ACH Imports

<input type="checkbox"/> File Name	Status	File Hash Total	Items Failed	Imported By	File Type	Import Method	Import Date/Time	File Number	JPMC File ID
<input type="checkbox"/> Silversearch Partners (73)	Pending Submit (67)	20,000.00	6	Chad Esselink	NACHA	Online	28-Feb-25	1001	2017NACHA4006
<input type="checkbox"/> Scripts Sales 2 Inc (24)	Pending Submit (24)	32,000.00	0	Chad Esselink	NACHA	Online	28-Feb-25	1002	2017NACHA4007
<input type="checkbox"/> Digital Image Productions (31)	Submitted (31)	3,000.00	0	Isabella Jennings	NACHA	Online	28-Feb-25	1003	2017NACHA4001
<input type="checkbox"/> Classic Marketing Sheets (38)	Pending Submit (38)	50,000.00	0	Victor Green	NACHA	Online	28-Feb-25	1004	2017NACHA4002
<input type="checkbox"/> Linden Mining Corp (24)	Pending Submit (24)	22,000.00	0	Chad Esselink	NACHA	Online	28-Feb-25	1005	2017NACHA4003
<input type="checkbox"/> (Test) Scripts Sales Inc (31)	Failed	15,000.00	31	Chad Esselink	NACHA	Online	28-Feb-25	1006	2017NACHA4004
<input type="checkbox"/> Ateen Investments (26)	Pending Submit (26)	32,000.00	0	Victor Green	NACHA	Online	28-Feb-25	1007	2017NACHA4005

Figure 8

6. Describe your bank's prenote process to verify new direct deposit account numbers, and its length of time.

Prenotifications are no longer required, so it's up to the originator to choose if they're necessary. We recommend:

- Using prenotifications if you have time to respond to corrections or errors generated by a notification of change on the prenotification and correct the information prior to the first payment
- Prenotifications be originated at least three banking days prior to live-dollar origination, but we can accommodate any timing scenario

The prenotes are charged as standard ACH transactions.

As an alternative to using prenotes, the City can benefit from using our **Account Validation Service (AVS)**. AVS provides an electronic response for each account inquiry. The response includes information about the account status and ownership. Please see [Section S – Service Enhancements](#) for a complete overview of this service.

7. The City deposits Payroll funds to employees at 12:01AM every other Thursday. Please indicate the submission deadline of ACH files to meet this deposit deadline.

Typically, one or two days in advance of the designated payday, you send us a file containing the transactions to be paid electronically to your employees' designated accounts.

Cutoff times for ACH initiation and additional details are provided below.

Initiation method	Next-day ACH
Direct Send transmission ^{1,2}	7:00 p.m. PT (prefund) and 7:00 p.m. PT
ACH payments via J.P. Morgan Access ¹	7:00 p.m. PT (prefund) and 7:00 p.m. PT

1. ACH PPDs must be received two business days in advance.
2. If later deadlines are required, this should be discussed with your relationship team.

8. The City currently makes some payments electronically (e.g., pension payments, State and Federal tax withholdings, medical benefit payments, and utilities). Describe the program used by the bank to facilitate these payments.

Depending upon your operational requirements, originate ACH payments using direct transmission or through our online banking portal.

We offer a file delivery solution that allows the City to send and receive ACH files using:

- SSL session encryption
- Browser-based file exchange (HTTPS)
- SFTP with PGP (Pretty Good Privacy) or GNUPG (GNU Privacy Guard) file encryption

Our delivery methods leverage the internet and readily available software packages to make transferring files simple and secure without the added cost of proprietary software installation.

Our online portal supports manual entry, file upload and payments originated from pre-approved templates for both ACH and wire transactions. You can also use a generic tax form to create a template for U.S. ACH tax payments or to send a federal tax payment via wire.

9. Do you allow pre-authorizations for ACH payments? Do you flag unauthorized debits for approval? Please describe your process for this.

We offer you protection from unauthorized ACH items with ACH Transaction Blocking or ACH Transaction Blocking with Positive Pay. These services offer protection from third-party organizations who originate ACH transactions against your accounts.

Unauthorized debits

As discussed previously in [Section C – Demand Deposit Accounts, question #8](#), ACH Transaction Blocking with ACH Positive Pay allows entitled users to review ACH blocked transactions, allowed transactions or all transactions prior to posting the item to the DDA account.

With ACH Transaction Blocking with ACH Positive Pay:

- You receive an email notification every hour if ACH transactions require review Sunday through Friday starting from 9:00 p.m. PT through 6:00 p.m. PT; a reminder email notification is sent one hour before the decision cutoff time if there are unactioned exceptions
- You have until 6:00 p.m. PT (2:00 p.m. PT for same-day CTX transactions) on the effective date to submit decisions
- If a Pay or Return decision isn't submitted by you, the default rules are applied

10. Is there a dedicated account manager or support team for ACH services, and how can the City reach them if there's an issue or urgent need?

Yes, the City can contact your designated CSA for ACH services support.

Our Transmissions team provides support for initiating file transfer or receiving reporting via Direct Transmissions. Specialized staff is available to assist with your product and technical support for Host to Host, ACH Data Transmission issues related to file delivery, file processing, file confirmation and partner key management.

ACH transmission support is available Monday through Friday, 5:00 a.m. to 8:00 p.m. PT.

Section I – Investment Sweep Account

The City may choose to utilize a DDA Sweep with all collected funds exceeding a designated balance swept into an investment fund.

1. Describe the types of sweep accounts offered by your financial institution that are available to maximize the City's potential investment earnings.

Recent central bank actions have resulted in an evolving rate environment, making an optimized, flexible account structure a key component of a successful business strategy.

The **J.P. Morgan Hybrid DDA** combines the power of a DDA with earnings credit and an interest-bearing DDA, allowing you to earn both a competitive earnings credit rate (ECR) and interest from a single account.

This innovative solution opens the door to a **simplified account structure**, allows for balances to offset service fees and minimizes time spent managing investments.

Benefits of our approach to Hybrid DDA

Earn a competitive rate of return compared to other short-term investment products providing overnight liquidity



Fully liquid balances throughout the business day with no restrictions on withdrawals

Balances are FDIC insured up to the standard maximum of \$250,000 per depositor



No reserve requirements allow you full use of your funds



Save time managing fewer accounts and/or investments for excess cash

How it works

The Hybrid DDA offers a solution similar to the functionality of an overnight sweep service. However, unlike an overnight sweep, 100% of the funds in this account are collateralized per California State requirements with Treasuries, enabling the City to feel secure entrusting J.P. Morgan with its public funds.

In the Hybrid DDA solution, balances earn an earnings credit allowance up to a predetermined threshold to offset bank service fees with balances above the threshold earning hard dollar interest. Thus, **instead of sweeping to a separate account each night, your excess balance remains in the DDA and earns interest**. Additionally, the Hybrid DDA does not have an investment cap like an end-of-day money market fund (MMF) sweep solution.

Balances up to a predetermined threshold ("the peg balance") earn an earnings credit allowance at the proposed earnings credit rate of 2.92%. Funds up to the peg balance are used to offset bank service fees. Balances above the peg balance threshold earn hard dollar interest at a proposed rate of 3.75%. Interest accrues daily and is paid monthly. The below illustrates how the Hybrid DDA works.

Hybrid DDA structure

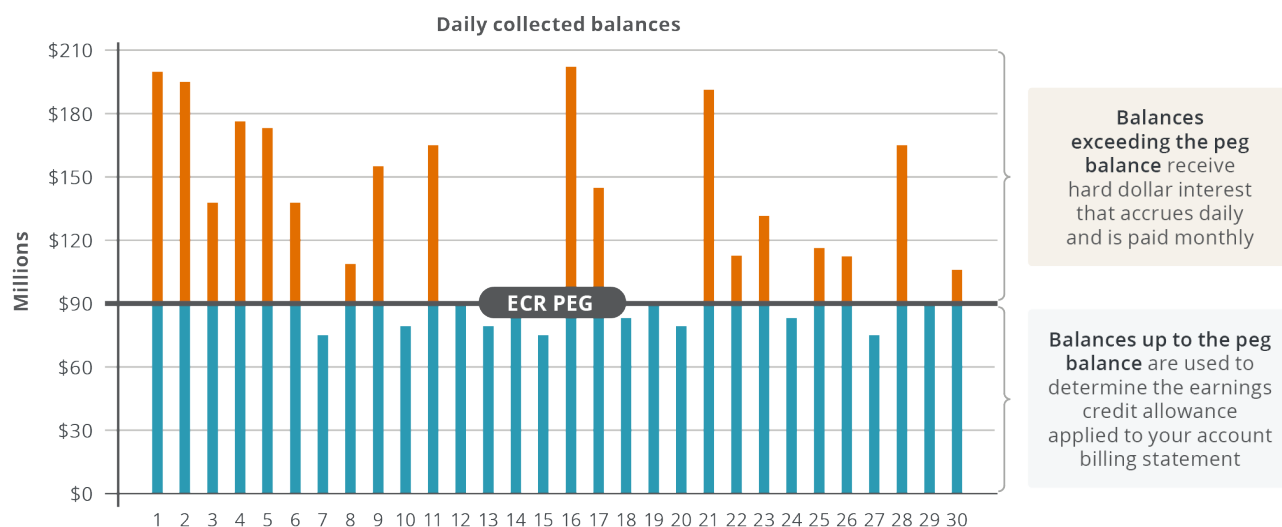


Figure 9

The peg balance can be changed at any time prior to the next billing cycle (and applied on a go forward basis) to adjust for unplanned changes in service fees (e.g., significant volume changes, service additions/deletions, to compensate for periods in which minimum balance levels fall below the peg balance amount).

Calculation of ECR and interest

The earnings credit rate and interest rate are bank managed rates that are reviewed and updated periodically by us after considering a range of factors, including the market rate environment. Using a managed rate helps maintain **pricing flexibility** while also helping **protect you from the short-term rate volatility** that could result from using an indexed rate.

The earnings credit allowance is calculated and applied on a monthly basis on the balances up to the peg balance threshold.

Monthly earnings credit allowance calculation

$$\frac{(\text{Average monthly investable balance} \times \text{ECR} \times \text{actual number of days in month})}{\text{Actual number of days in year}}$$

Hard dollar interest accrues on a daily basis on the closing daily balance above the ECR peg and is paid on a monthly basis.

Daily interest accrual calculation

(Daily positive collected balance above the peg x account interest rate)

Actual number of days in year

Sweep to money market fund

We offer both end-of-day and intraday investment sweeps to us and select third-party money market funds (MMF) helping you efficiently invest account balances, maintain liquidity and meet investment guidelines. Investment sweep services afford competitive returns while simultaneously providing fluid integration with operating accounts.

Our sweep product offering provides you visibility of accounts and returns online through J.P. Morgan Access Liquidity Solutions, available via the online portal.

Use our breadth of services, reputation, and financial strength and stability to build upon the efficiency and value of our own cash management operation. Below, please see investment details on the sweep offering available to you.

You can **combine intraday and end-of-day investments** as a way to address any cash flow activity that may take place after intraday investment cutoff times.

End-of-day

Receive end-of-day sweep options with us and select third-party money market funds (MMFs) to implement an effective sweep structure. The amount invested via the sweep is determined by the available account balance at sweep time in conjunction with pre-established, sweep parameters you define.

End-of-day sweep offering

Money market funds (MMF)

Exposure	The specific MMF selected; see prospectus at https://am.jpmorgan.com/us/en/asset-management/liq/
Rating	
Timing	Last transaction of the business banking day
Return of funds	The morning of the next business day
Interest/Dividends	Dividends accrue daily, paid monthly on a 365-day basis
Restrictions/Comments	<ul style="list-style-type: none">• U.S. corporations/entities must invest in U.S.-registered funds• Non-U.S. entities may be available to invest in offshore funds subject to applicable laws, rules, and regulations• End-of-day sweep: Investment cap established based on average stable balance See prospectus for fund details

Set your parameters, such as **target balance** and **sweep increments**, during the initial sweep setup, and you can modify parameters by contacting Customer Service.

Highlights of end-of-day sweeps

End-of-day sweeps are based on a target balance set by you which should be maintained in the account at all times. Benefit when balances exceeding the target are moved by the sweep system into the selected investment vehicle in increments you define:

- End-of-day collected balances that exceed the target balance are automatically invested up to the account's investment cap. Balances above the cap may also be invested depending on availability of shares.
- End-of-day sweeps are processed as the last transaction of the business day. MMFs are automatically returned the morning of the next trading day.
- For maximum flexibility, we permit sweep increments as small as \$1.00.
- An investment cap is established for each account based on the estimated average sweep balances.

Please refer to the table below for funds availability and cutoff times.

End-of-day money market funds availability and cutoff times

J.P. Morgan fund	Cutoff time
U.S. Government Money Market Fund	Last transaction of the day
U.S. Treasury Plus Money Market Fund	Last transaction of the day
100% U.S. Treasury Money Market Fund	Last transaction of the day

Note: Select third-party provider funds may be available. The Prime Fund calculates its net asset value to four decimals (e.g., \$1.0000) using market-based pricing and operates with a floating net asset value.

2. What sweep investments or funds are available for public agency clients? Does the fund meet the California Government Code for allowable investments?

End-of-day investment sweeps provided are below:

- **J.P. Morgan Government Fund Morgan Share Class**
- **J.P. Morgan Treasury Plus Fund Morgan Share Class**
- **J.P. Morgan 100% Treasury Fund Morgan Share Class**

Please note that we are not licensed to provide direct advice on whether a fund matches specific risk policies. Typically, our approach involves providing the prospectus to the client, who then confirms if it aligns with their risk policy. However, we can certainly facilitate a review by engaging our Asset Management (AM) team. They are well-equipped to assess and advise on whether the fund offering is consistent with your policy requirements.

Investment sweeps into J.P. Morgan's MMFs have minimum investment balance requirements for each share class. The end-of-day sweep uses the Morgan share class. The minimum investment requirement for the Morgan share class is indicated in the following table and set forth in the fund's prospectus.

J.P. Morgan money market funds end-of-day share class minimum

Share class	Minimum investment balance
Morgan	\$1,000

3. What are the costs associated with sweep (monthly maintenance, set-up fees, fund expenses, transaction fees, etc.)?

The only charge is 25bps fees. There is no other monthly maintenance charge.

4. Provide historical rates on your sweep fund(s) for the past 12 months.

Money market fund (MMF) share classes are dependent on the investment amount and investment channel. Historical rates are provided on the current fund prospectus located in the following link:

<https://am.jpmorgan.com/us/en/asset-management/gim/liq/products/performance-and-yields/liquidity>

Section J – State Activity/LAIF Transfers

The City transacts State of California Local Agency Investment Fund (LAIF) transfers on a regular basis and receives State electronic payments.

1. Please describe the LAIF transfer process. Are the transfers done by telephone, email, fax, wire transfer, etc.? How is the accuracy of transfers assured?

The transfer process is outlined as follows.

Transfers to LAIF

You will initiate Investment transfers to the State via our online portal and post to the State via wire transfer.

We work with government clients in the State of California to promote compliance with State procedures for LAIF investment transactions. Note that the following are general procedures, and that you are encouraged to confirm with LAIF to be sure they are in receipt of contracted instructions specific to the City:

- For same day transactions, LAIF must be contacted by 10:00 a.m. PT.
- 15 total transactions per month are allowed, which include both deposits and withdrawals.
- Transaction amounts should be in thousand dollar increments with a minimum of \$5,000.
- Withdrawals of \$10 million or more require at least a one-day advance notice to LAIF.
- Future-dated transactions can be requested up to 10 calendar days in advance.
- Verbal acknowledgment must be initiated by your authorized personnel prior to funds transfer.

Transfers from LAIF

Investment transfers from the State will be initiated by the City via LAIF by phone or online and posted directly through us into your designated account. LAIF transfers can be executed by the City online through the LAIF portal.

2. What is the charge per transfer to LAIF? From LAIF?

Please see Appendix 3 for our pricing proforma.

3. Does the bank have an office in Sacramento that maintains a direct DDA banking relationship with the State Treasurer's office and the State Controller's office?

Yes, we have an office in Sacramento with a direct DDA banking relationship with the State Treasurer's Office and the State Controller's Office.

4. Is the bank an approved State of California depository?

JPMorgan Chase Bank, N.A. is a qualified depository for public funds in California. We facilitate activity on behalf of municipalities with redemption and investment Local Agency Investment Fund (LAIF) transactions.

5. What is the charge for the deposit of State electronic payments? State warrants?

Please refer to the pricing section of the response for any applicable charges.

Section K – Online Bank Processes and Information Reporting

The City currently utilizes a web-based online system to perform a variety of processes, such as placing stop payments, wire transfers, maintenance of ACH preauthorizations, administration of account users, and accessing online balance reporting information for all accounts.

1. **Please describe the bank’s online banking and information reporting system(s), including a list of all services provided.**

With our online portal, the City receives a highly intuitive and easy to use, cash management solution that seamlessly integrates all treasury activities through a secure portal using a single authentication process.

Whether you keep cash in one or multiple accounts, our online portal puts critical cash management information and tools at your fingertips, and the unparalleled experience of J.P. Morgan at your service.

Advantage for the City: J.P. Morgan Access ranked #1 in payments and treasury management.

*2024 Coalition Greenwich Digital Transformation
Benchmarking Study*

Our service is proof of our dedication to investing in leading edge technology, product innovation and improving the client experience.

Our comprehensive cash management system at a glance

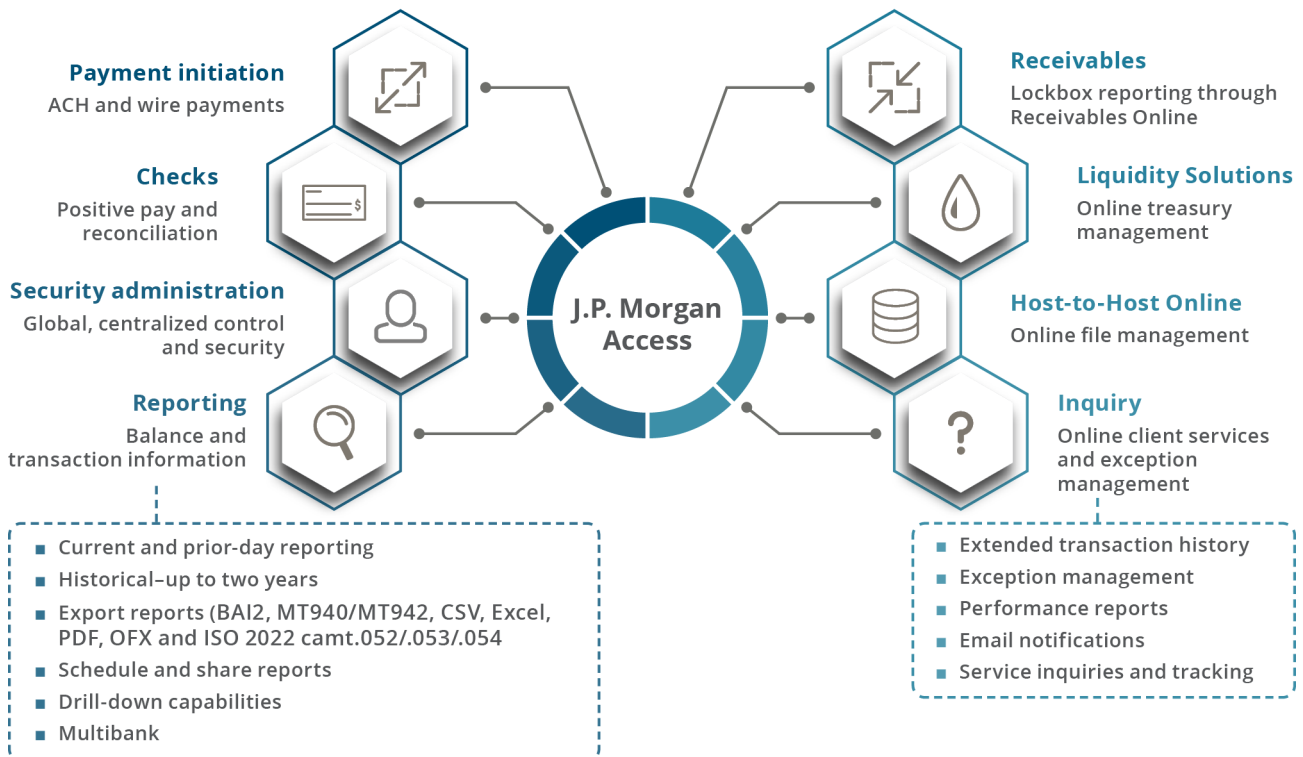


Figure 10

Dynamic home page

It starts with **Home**, the home page of our online portal, where an improved user interface brings you critical information immediately upon logging onto the system.

Benefit from using a **customizable dashboard** home page. The difference is apparent immediately. Our home page consolidates critical information in one place.

With just **one click**, access urgent action items, access your accounts, recent activity, reports and statements. Transparent workflows show current status and next steps. Receive transaction information on demand. Bring the information you need together with **customized cash position** views.

Make the advantage yours

Users receive critical information on the customizable dashboard, all in one place.

Improve your experience with every click.

A customizable dashboard to meet your treasury needs

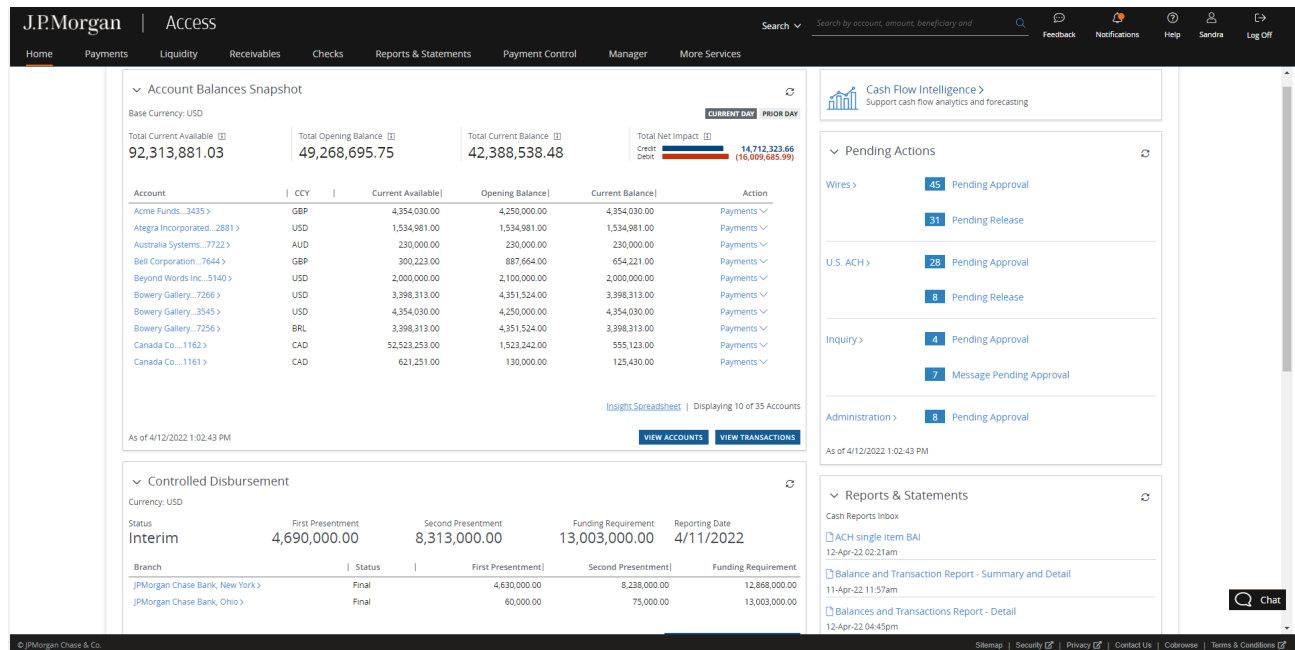


Figure 11

View key information and frequently performed tasks readily available from the home page.

From **Home**, connect to your **key information**, such as Account Balances, Controlled Disbursements, Reports, Statements, Loans, Online Payment Activity and Pending Actions, through our customizable dashboard for all your treasury needs.

A combination of **user entitlements** and **preference settings** determines what each user views upon logon. It's easy to set a new default landing page. Establish user-defined account groups for viewing and reporting purposes.

Users can also find information quickly using robust **search tools** and configure a variety of system **notifications** that can be viewed online and via email. Additionally, your users have the ability to customize the dashboard by expanding and collapsing the view of all available information.

Your users connect to functions they need via the summary dashboard

Payments	Make payments via wires, book transfers, checks, ACH
Checks	Receive positive pay services, stop payment services, reconciliation reporting and data download
Reports	View, print or download reports with balance and transaction information, cash concentration, disbursement, funds transfer and liquidity
Statements	View, print or download bank, billing and liquidity statements from a central repository

Your users connect to functions they need via the summary dashboard

Administration	Save time with a powerful and innovative entitlement engine that saves time, increases productivity and controls everything users can see and do
Liquidity Solutions	View reports and make decisions about cash balances and cash investment positions, cash concentration structures and flows, inter-company positions and accruals
Merchant Services	Simplify payments reconciliation, find opportunities for improving profitability around payments, and receive alerts for quicker awareness to fraud
More Services	Access a single point of entry to a wide range of additional treasury management services that includes our configurable receivables solution, Receivables Online

Our Mobile app

Our Mobile app delivers features you need in today's fast-paced environment to access banking information and perform tasks on the move.

Secure and easy sign in

Sign in is simple, using your same credentials for the online portal and Mobile.

Password-only users can choose to enable device biometrics if their device is supported. Security administrators can restrict or enable biometrics based on your organization's security standards.

Your users can also reset their password on the Sign In page quickly and easily.

Simple navigation

The home screen includes **easier navigation and provides quick visibility** to accounts and features based on your user entitlements.

View account balances and transactions

Leverage the app to see a **quick snapshot of account balances**. The app lets you drill into accounts and transaction details.

Mobile allows users to view account balances and transactions in all currencies and up to 14 business days of desktop and mobile activity

Deposit checks on the go

Save time by depositing U.S. denominated checks, drawn on a U.S. bank and uploading documents as soon as you receive them, instead of waiting for a trip to the bank.

Manage your payments

With the payments approval feature, users can **easily approve and reject** US ACH, wires, account transfers and book payments that are initiated Online. Payment workflow, rules and user entitlements from our online portal are integrated for a seamless experience. Mobile also supports digital signing for secure authorization of payments.

The power of J.P. Morgan Access in the palm of your hand

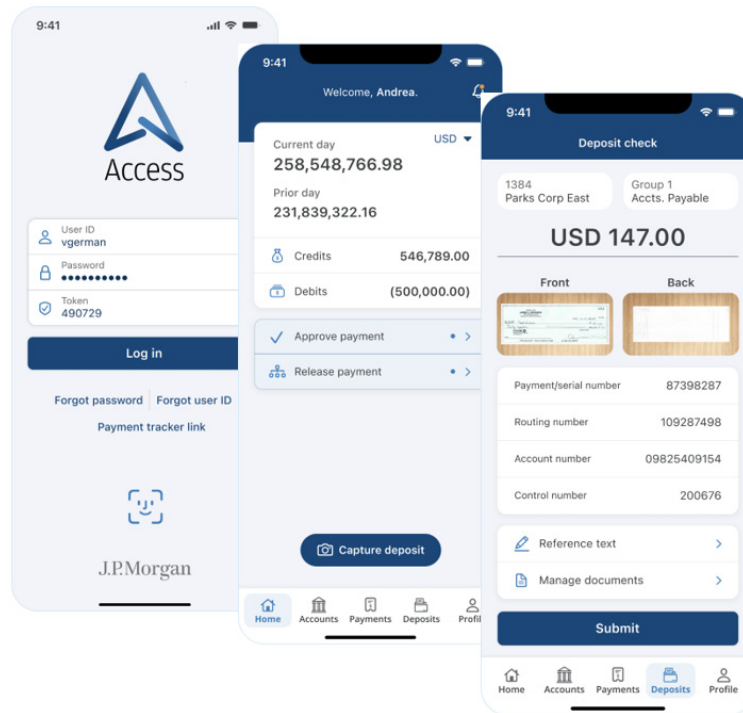


Figure 12

Mobile works with iPhone and Android smartphones. As new operating systems are certified to work with Jour online portal, we support a maximum of two major versions per operating system (one current and one prior).

Mobile set up and operation is simple. The service is highly secure and there is no additional cost for this service.

Users can download Mobile from the respective app store. User will go through a one-time mobile device registration process and biometric setup (if supported device).

J.P. Morgan Access features and benefits

Dashboard: Saves you time because everything is in one window

How the City benefits	<ul style="list-style-type: none"> • See recent payment activity and related processing statuses • Check balances and run reports from the home page • Make payments directly from your Account Balances view • Find information quickly with the search tool • View notifications online and set up to receive notifications via email 	
Available services	<ul style="list-style-type: none"> • Configurable notifications • Search • Payments, reports and statements • Activity log 	<ul style="list-style-type: none"> • Pending actions • User preferences • Help center

Checks (1): Efficiently manage paid check activity, monitor fraud and streamline account reconciliation processes

How the City benefits	<ul style="list-style-type: none"> • Efficiently manage your check process • Submit check issue information and retrieve reconciliation reports • Mitigate check and ACH fraud risk • Streamline your account reconciliation process through our comprehensive check services solution • Enhance security and fraud protection by sending check print files for bank printing and distribution to payees 	
Available services	<ul style="list-style-type: none"> • Online check details and images • Check Print • Stop payments 	<ul style="list-style-type: none"> • Positive pay • Reverse positive pay • ACH Transaction Blocking

Payments: Saves time by aligning to your workflow and the way you work

How the City benefits	<ul style="list-style-type: none"> • Use consistent payment workflows • Initiate wires (including from non-J.P. Morgan accounts), book transfers, ACH, U.S. account transfers, draft/checks, drawdowns, and advice to receive (depending on entitlements) • Creation of, and modification to, enhanced templates (i.e., templates that have been bank verified) • Easily view payment and template history within the workflow, including modified field details when approving transactions • See account balances while making a payment • See payment cutoff time while making or approving a payment • Use comprehensive and configurable user entitlements, limits and approval workflow to provide optimal control 	
Available services	<ul style="list-style-type: none"> • Wire transfer (USD) • U.S. ACH • Account transfer • Book transfer • Print and export 	<ul style="list-style-type: none"> • Multiple approval levels • NACHA file import • Service requests (USD wire and book transfer)

J.P. Morgan Access features and benefits

Reports: Readily customizable

How the City benefits	<ul style="list-style-type: none">• Organize accounts into groups• Customize reports from a single page• Schedule reports and share them with other users• Use settings to tailor views of balances and reports• View check and deposit images and research adjustment advice, where available	
Available services	Reports include: <ul style="list-style-type: none">• Balance and Transactions, including location view reports• Checks/deposit ticket images• Daily Account Balances• Controlled Disbursement Funding• Returns and Exceptions• Payment and Template Reporting• Checks Paid report• Wire Detail report	Formats include: <ul style="list-style-type: none">• Prior-day, current-day or date range• Online, Excel, PDF, CSV, BAI2, OFX, ISO camt.052, camt.053, camt.054 and Swift MT940/42

Statements: Quickly view, monitor and output statements

How the City benefits	<ul style="list-style-type: none">• Delivers a high-level view with the ability to view or download statement information from a single page• Comprehensive and efficient functionality to filter, search, and retrieve statements• Ability to view individual images of checks (front and back) or bulk downloads• Easily export statements (Excel, PDF and CSV) and paid check images• Online availability of historical statements• Ability to retrieve up to three types of Liquidity Statements: Investments, Cash Concentration and Pooling	
Available services	<ul style="list-style-type: none">• Bank statements• Billing statements• Liquidity statements	

J.P. Morgan Access features and benefits

Manager: Create and manage users simply and quickly

How the City benefits	<ul style="list-style-type: none">• Browse relationships between accounts, products & users to understand your relationship structure• View and report on all user entitlements from a single page• Follow step-by-step workflow for streamlined, effortless setup• Lock down security with precise user entitlements, limits and account settings• Manage credentials, including hard and soft token assignment	
Available services	<ul style="list-style-type: none">• Company overview• User Setup/administration• Administration reports• User authentication credentials• Entitlements support for products	<ul style="list-style-type: none">• Clone entitlements• User groups• Account groups• Transaction approval Workflow Rules

Liquidity Solutions: Online liquidity management tool with near real-time visibility of cash balances and investments

How the City benefits	<ul style="list-style-type: none">• Optimize return on excess cash• Minimize risks
Available services	<ul style="list-style-type: none">• View and manage cash and investments across multiple entities, products, regions and currencies• Invest in and redeem Money Market Mutual Funds• Customize and run reports

Merchant Services: Integration

How the City benefits	<ul style="list-style-type: none">• Provides users with simplified payments reconciliation• Identifies opportunities for improving profitability around payments• Provides alerts for quicker awareness to fraudulent payments activity
Available services	<ul style="list-style-type: none">• On-demand, user-defined reporting• Customizable user entitlements• Available in multiple languages

J.P. Morgan Access features and benefits

More Services: Single point of access to a wide range of additional treasury management services

How the City benefits	<ul style="list-style-type: none">• Single sign on accessibility
Available services	<ul style="list-style-type: none">• ACH File Warehouse• ACH Services U.S.• Continuous linked settlement• Digital Payments• Electronic Specialty Account Portal• Global ACH• Host-to-Host Online• Receivables Online and Remote Deposit Capture• Supply chain finance• Trade transactions• Virtual Account Management

(1) U.S. accounts only.

2. What are the current computer hardware and software specifications for most effectively utilizing the bank's online system?

Refer to Appendix 5 for our current J.P. Morgan Access Technology Checklist for computer hardware and software specifications.

3. At what time (Pacific Standard Time) is prior day information available?

Prior day reporting is available by 7:00 a.m. PT.

4. Is the per item fee for prior day reporting based on the number of items reported or accessed?

Fees are based on the number of items reporting and the retention period.

5. Can the reports be customized? Exported to Excel?

Yes. Our online portal offers the City a comprehensive list of predefined reports, as well as advanced filtering and criteria capabilities, and a powerful set of interactive features, allowing you **to customize reports** for different views or download them into different layouts to meet your varied reporting needs.

For example, for balance and transaction reporting, the City can customize reports online with the following selection options:

- Select balances by account or groups of accounts
- Access prior business day, current business day or as of business day financial data; or select a date range of up to 2 years
- Evaluate account averages for this month, the prior month and year-to-date
- View balances, credits and debits
- Select from a variety of industry standard formats: Excel, CSV, PDF, MT940, ISO camt.054 and BAI2

In addition, the City can enhance the presentation of your information using the following Interactive Reporting functionalities:

- Move, show or hide fields or columns within the report
- Sort on single or multiple columns
- Use our web search tool to filter data
- Use graphs or charts to quickly visualize trends
- See your report change dynamically as you perform customization of your report
- Save and re-use the report template, print or export the report with the customized settings

To enhance productivity, reports can be scheduled to run automatically via our Automated Scheduler at recurring intervals, e.g., daily, weekly or monthly. Additionally, customized reports can be shared by the creator with other the City users.

Once the scheduled reports are available in your users' Reports Inbox, the users can download these reports at any time even outside of regular business hours, provided that this is not within our electronic banking system's regular maintenance hours.

6. What types of security measures are in place? How is the assignment of user I.D.'s and passwords managed?

Our online portal uses a multi-layer security system designed to protect the privacy and identity of users, while maximizing data and transaction integrity.

- **Control:** The City's security environment is maintained by your assigned security administrators, who create and authorize users for online services. Using online administration tools, security administrators can lock down security with precise user entitlements, limits and account settings and generate entitlement reports to meet auditing requirements.
- **Two-step logon:** The system uses an enhanced two-step logon to help validate that users are accessing the authentic J.P. Morgan Access website.

- **Single Sign-On:** A distinct user ID and password give the City's users access to the platform and product functions that do not involve the initiation of value-bearing transactions. Users entitled to transaction initiation or that fall under certain regulatory requirements will also require a security token to log on.
- **User authentication:** During the initial access to the server, users' identities are validated against their registered profiles.
- **Log on control:** After three log on attempts, the system automatically locks out a user who enters an invalid password and generates an entry in the security log. The three failed log on attempt restriction prior to disabling a user is on a per session basis. This is set by our systems.
- **Computer registration:** Each time a user logs on through an unrecognized computer, the system prompts the user to re-register the unit using an activation code delivered via an out-of-band channel, such as email, help desk or in person by a City security administrator.
- **Digital signature:** Authentication is required for users accessing functions involving value-bearing transactions or security activities (e.g., wires and ACH). We use a two-factor authentication process:
 - Digital signature authentication is achieved through our patent-pending solution leveraging RSA SecurID token technology to provide signatures.
 - Users enter their user ID, password and RSA SecurID token code when logging on. They are prompted to re-enter their password and token code before moving funds during their secure session.
- **Data protection:** Industry-standard 256-bit Transport Layer Security encryption helps maintain confidential access and delivery of data, and transaction facilities.
- **Session timeout:** After 15 minutes of inactivity, users are automatically logged off.

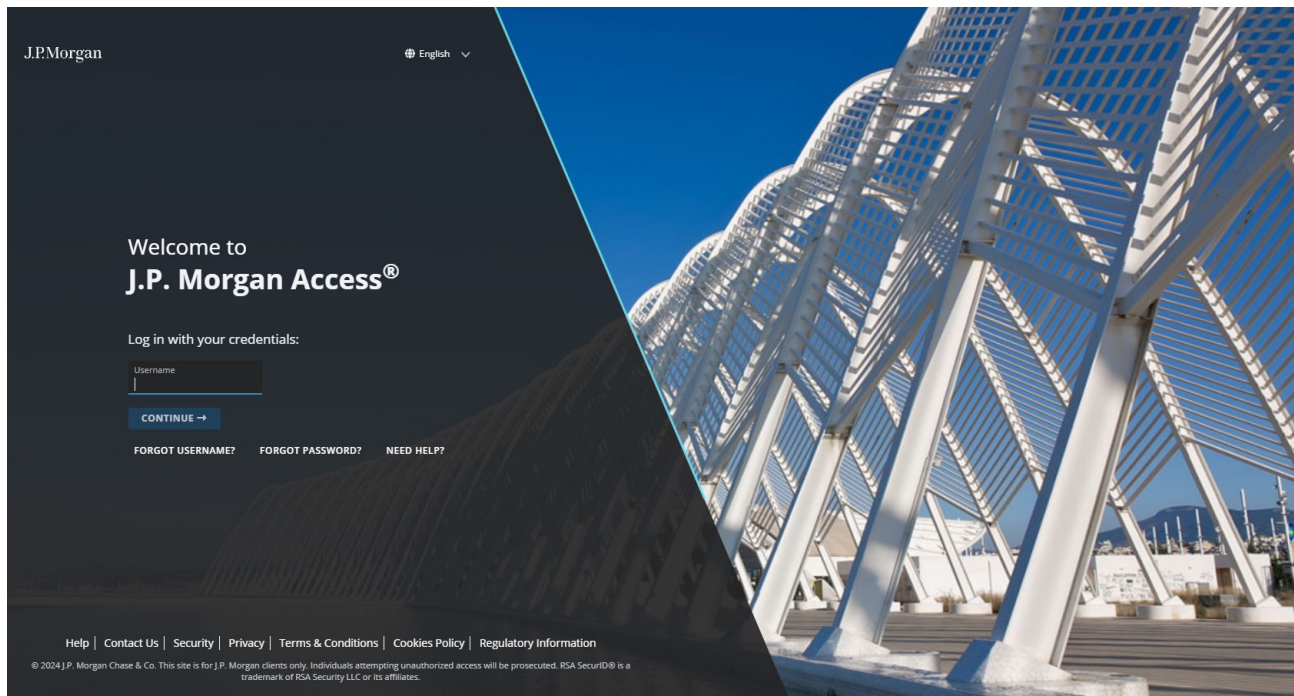


Figure 13

Establishing authorized users

During implementation of J.P. Morgan Access, the City first provides initial security administrator user information. After signed acknowledgements are processed, security administrators begin establishing entitlements for authorized client users.

Users log on to the online portal to start the new user identification process with the secured information provided in a welcome email that is generated after the user was created and approved by your security administrators. The user validates their contact information, leverages a one-time pin and creates their own password. The system automatically creates a one-time pin after the user validates their contact information.

When a new user first logs in, they are required to use the one-time pin and then enter a password of their choice that meets required parameters.

Passwords must meet these requirements:

- Passwords must be different from user names
- Passwords must contain at least 6-8 characters for SecurID users and 8 to 20 characters for all other user types
- Passwords cannot include words such as “morgan”, “chase”, “test”, “admin”, “password”, “jpmc”, “qwerty” and “yesterday”

Users are to confirm their identity by acknowledging their first name each time they log on, which will help further protect them against cyber fraud. The first name value is set by the security administrator upon creating that user profile.

J.P. Morgan Access requires users to change passwords on a periodic basis (i.e. every 90 days). Users may change their passwords at any point prior to expiration and security administrators may reset passwords prior to their expiration date.

Establishing entitlements

Passwords/IDs govern access to the banking portal. Product-specific controls are set at the client, account and user levels. The system provides flexible methods to customize user authorities through both individual assignments and entitlement user groups.

User setup methods offer you flexibility:

- **Clone:** Allows you to quickly and easily assign products, functions, accounts and group membership to a new user by cloning (replicating) the entitlements granted in the Manager administration menu from an existing user for all or select products.
- **Custom setup:** Provides advanced customization and lets you choose specific entitlements to products, functions, accounts and group membership.
- **Profile only setup:** This setup method enables you to establish user profile information without assigning entitlements. This may be the most efficient way if making use of the user group function.

Credential management

Our online portal offers features to simplify and streamline credential management. Rather than requiring security administrators to use a separate security administration app, credential services functionality is integrated into the Manager administration feature and allows you to:

- Perform self-service to order new security tokens and track the status of token requests
- Elect to use a software token that will enable users to generate a token code from their mobile device using the RSA SecurID® Software Token App

7. What is the bank's contingency plan for providing this information in the event of an unexpected bank system problem or natural disaster?

We have established policies and assigned responsibilities to verify that appropriate contingency plans are developed and maintained for each business area that supports J.P. Morgan Access. The intent of these contingency plans is to support the continued operation of critical systems in the event of a disaster, emergency or other unforeseen events threatening interruption of these systems.

For additional information, refer to Appendix 6 for our Business Resiliency Client Letter.

8. Does the bank offer electronic delivery of statements, reports, and notices?

Yes. You will receive electronic delivery of your statements, reports and notices on our online portal.

Online bank statements

Access bank statements of your accounts in a **timely and efficient manner** via secure internet delivery on J.P. Morgan Access. Benefit from receiving electronic bank statements that are **identical to mailed paper statements** within two business days after the statement cutoff date.

Bank statements include all transactions posted to the account including all checks paid by check number with paid amount. Online bank statements also include images of checks paid during the statement cycle. Correction entries made by the bank are also included on the statement.

Our online bank statements provide the City with the following benefits:

- Receive email alerts to notify authorized your users when the account bank statements are available for download
- Print and view a statement as it would be presented in its original paper form
- Search for transactions by opening the statement, and then clicking on the image icon next to the statement name to see an image of the front and back of the cancelled check
- Save and print the statement in PDF format, as well as export data to an Excel spreadsheet or in CSV format

Transmitted bank statement

Our statement transmission solution provides you with an automated transmission of your global, monthly bank account statements, via a secure host-to-host connection in the format of your choice.

Receive electronic statements directly into a statement archive, eliminating saving documents and paper copies manually. Choose from several format options: Excel, PDF and CSV.

Reports

The City can securely export reports and data from our online portal through the reports function to update your accounting, Enterprise Resource Planning (ERP) System and/or Treasury Workstation System (TWS). The following formats are available:

- BAI2
- MT940/MT942
- CSV
- ISO camt.052, camt.053, camt.054
- OFX

The City can also download data and save in Excel or PDF formats.

In addition, our online portal offers a scheduling facility feature that can automatically create the file(s) ready for onward integration with your accounting or ERP and/or TWS.

Notifications via our online portal

Our online portal offers a wide variety of customizable business critical alert notifications to save you time and make sure you do not miss anything.

Alert notifications are free and activation is easy. Your users are auto-subscribed to some notifications and can subscribe to others, depending on the notification types and user entitlements. Your users can elect to receive alert notifications via email and/or online via the Alerts Inbox.

Define, manage and view messages from anywhere in the online portal. For example:

- Set up alerts for when balances are above or below a preferred level, transactions/checks are available, or payments require your attention, with links to supporting detail
- Choose to be alerted to new items in your payments inbox that require action, such as transactions pending approval or see templates that have been modified
- Receive an alert when a scheduled report is complete

Options are available for users to specify the type of transaction, the account, amount range etc., and in this case, your users can opt to receive an alert notification whenever an outgoing payment above a pre-defined amount is posted to the specified account. Designate up to 25 users to receive email alert notifications; personal email addresses are not allowed.

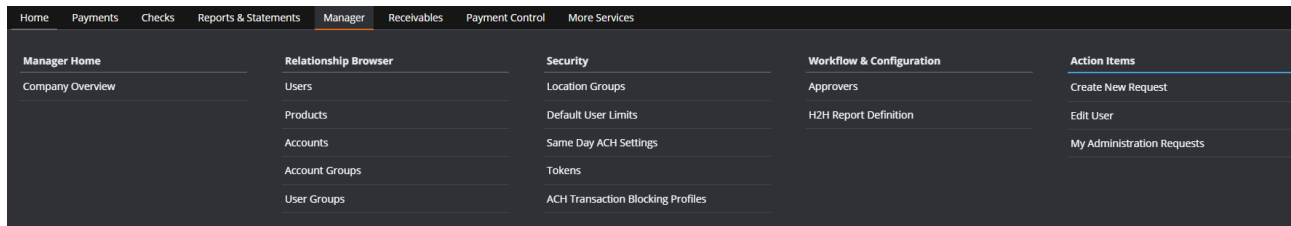
Additionally, online Security Alerts are delivered automatically to help you identify any unauthorized activity on your accounts and online profile. You cannot unsubscribe from these alert notifications. However, you can specify the delivery method.

9. What are the administrative capabilities for staff to create user profiles, and grant rights to certain functions?

Your assigned security administrators maintain the City's security environment in our online portal using the online administration tools available in Manager.

Manager provides **simplified, self-service** administration capabilities. It's the security administrator's **one-stop-shop** for all administration functions. It all starts with the Manager **menu**.

Manager navigation



Home	Payments	Checks	Reports & Statements	Manager	Receivables	Payment Control	More Services
Manager Home	Relationship Browser		Security		Workflow & Configuration		Action Items
Company Overview	Users	Products	Location Groups	Default User Limits	Approvers	H2H Report Definition	Create New Request
	Accounts	Account Groups	Same Day ACH Settings	Tokens			Edit User
	User Groups		ACH Transaction Blocking Profiles				My Administration Requests

Figure 14

Manager menu options help security administrators take action. View your administration options in the main Manager menu including:

- **Manager Home** is where you access your Company Overview to view your relationship summary and navigate to common pages to view more detail, including accounts, products and users; additionally you can approve requests and initiate user management.
- **Relationship Browser** is where you can see relationships between accounts, products & users to understand your relationship structure and verify user entitlements.
- **Security** is where you set up location groups, default user limits and same-day ACH functions, as well as manage tokens.
- **Workflow & Configuration** is the place to select approvers, set up approval rules and categories.
- **Action Items** is where you create new requests and view and edit user details.

User entitlements

The City nominates your own security administrators to establish and approve users for accounts, services and functions using an online entitlement feature. As a standard practice, and to help the City maintain audit controls, a minimum of two security administrators are required for user setup and maintenance.

- One security administrator establishes users for accounts, services (e.g., ACH initiation, funds transfer initiation or balance reporting), and functions (e.g., reporting, transaction initiation and transaction approval or release).

- A second security administrator approves the user entitlements granted by the first security administrator.
- For each user created by a City security administrator, we establish basic authentication user IDs. Digital signature authentication IDs are established for users authorized for transaction initiation and administrative functions.
- RSA SecurID tokens are assigned by the security administrator to those users who need to perform digital signatures.
- Users log on to the portal to start the new user identification process with the secured information provided in a welcome email generated after the user was created and approved by the security administrators. The user validates their contact information, leverages a one-time pin and creates their own password.
 - This logon procedure, in combination with the acknowledgement and pre-established user entitlements, creates an electronic user profile that is employed for all J.P. Morgan Access communications with us. Each user's desktop view of the portal reflects the accounts, services and functions to which that user has been entitled.

Standard security administrator model

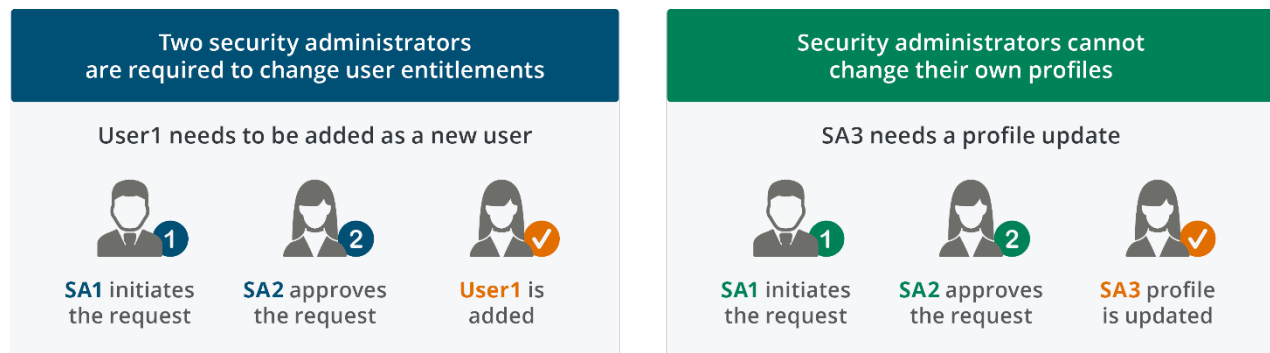


Figure 15

You can waive the requirement that a security administrator cannot make a change to their own profile providing that a second security administrator approves those changes.

Section L – Account Reconciliation

The City currently issues checks from the General and Payroll checking accounts and utilizes Full Account Reconciliation with Positive Pay services for its disbursement accounts.

1. **Does the bank offer Full Account Reconciliation Services with Positive Pay? If so, please describe the service including accepted methods for receiving the Positive Pay data and the format specifications for that data.**

Yes, we offer full account reconciliation with positive pay and describe in detail below.

Full reconciliation

Receive a reconciliation of outstanding and paid checks, with the option of reconciling accounts by the week, month, fiscal or calendar year in a format tailored to meet your needs.

Provide detailed check issue data, including account numbers, check numbers, issue dates, dollar amounts and reference information (up to 15 bytes) for full reconciliation.

Choose how you wish to supply this data, in a file transmission or by upload or manual key entry to J.P. Morgan Access, as needed by the check activity in each account.

With check issued data, we perform a **full reconciliation of activity** in the account, delivering a reconciliation report package via the online portal. The standard full reconciliation package contains an account statement, balance sheet, paid and outstanding check listing, plus a summary including check number, issue date, amount paid and paid date.

Reconciliation reporting

View your reconciliation report package on J.P. Morgan Access within five business days from the close of a cutoff cycle. Download reconciliation reports in PDF and daily paid files in TXT format from the Recon Output tab in Access Checks.

Data Download

Use the Data Download feature of the banking portal to reconcile accounts or perform extensive research on check activity. Data Download allows you to download disbursement transaction detail information in a CSV or QuickBooks format file (QBO).

Transactions available for full reconciliation accounts include outstanding and cancelled check status transactions along with paid, stop payment and return transactions. Non-Full ARP accounts only have paid, stop payment and return transactions reported.

To meet your reporting needs, determine filters from these options:

- Account number
- Transaction status category
- Date paid
- Effective date

Each request is tracked and delivered in your inbox on the online portal.

With activation of reconciliation service, you incur a monthly maintenance fee on your account analysis statement.

Positive pay for checks

We provide positive pay services to help protect the City's accounts.

Why are checks so susceptible to fraud? Everyday access to scanners, printers, desktop publishing software, and other tools used to print and alter checks makes it easy to create fraudulent items —written on your bank account! It is just easier to perpetrate fraud on paper checks than electronic payment methods.

However, we can all be proactive. Our positive pay service effectively helps protect the City from becoming a victim of check fraud.

You simply send us your check issue files via transmission or the internet. Our J.P. Morgan Access internet delivery channel provides a foundation for secure and traceable communications between you and the bank.

IMPROVE



- Reconciliation timeliness and accuracy
- Access to detailed check status and images
- Dual control and segregation of duties for managing payables functions
- Control over your daily cash position

REDUCE



- Manual processes and related costs
- Resources allocated to payables processing instead of core business functions
- Exposure to potential payment fraud

We match checks presented on your account to those you have issued. If they don't match, we provide images of exceptions to you via our online portal. You instruct us to pay or return by the deadline.

Benefits of our approach to positive pay for checks

Review exceptions and check images and make pay/return decisions from one location using our online dashboard



Receive alerts to save time and increase efficiency by telling you when checks are ready for review or remind you of cutoff times



Disallow check posting without the need to review reports or make return decisions for depository or electronic debit only accounts



Control fraud, minimize exposure and maintain control over check payments



Stop losses with check fraud protection at the teller window at all Chase branches



Boost protection by screening all checks deposited at a Chase ATM



Verify payees and detect altered payee names with optional payee verification

Let us help prevent payment of duplicate or altered checks and minimize losses.

Positive pay—How it works

With positive pay, you provide us with a positive pay issue file containing check amounts, serial numbers, issue date, and payee name data. Simply supply issue data to us via file transmission, online upload or manual entry into J.P. Morgan Access. The deadline for you to submit manual entry or file upload via J.P. Morgan Access is 7:30 p.m. PT. The deadline for you to transmit check issuance files via direct transmission to the bank is 7:45 p.m. PT.

2. Does the bank offer Teller Positive Pay and Payee Positive Pay?

Yes. We offer both offer Teller Positive Pay and Payee Positive Pay.

Teller line positive pay—How it works

Teller line positive pay is the strongest defense available to prevent check fraud. Within one hour of receipt of the issue file, we update our teller line system. When a check is presented for payment at a Chase teller window, the teller system determines the validity of the issued check prior to payment. We deny encashment on any items not found as matching open entries on the issue file. Checks deposited at a Chase ATM are screened against the positive pay records.

Payee verification—How it works

We also recommend using positive pay payee verification to provide an additional layer of fraud prevention protection. For payee verification, you provide the bank with payee names in your check issue file transmission, online file upload or by manual entry on our online portal.

While positive pay matches the MICR information of your presented check to the issue file, payee verification takes the additional step of validating that the payee name matches issue file payee information. Our payee name review digitally interrogates the payee name and also looks for alterations or additions above, below or to the right of the payee name that would change the payee identification. Mismatched items are visually evaluated to eliminate digital interrogation reading errors, and remaining items are sent in the daily positive pay exception reporting for decisioning.

Our positive pay with payee verification

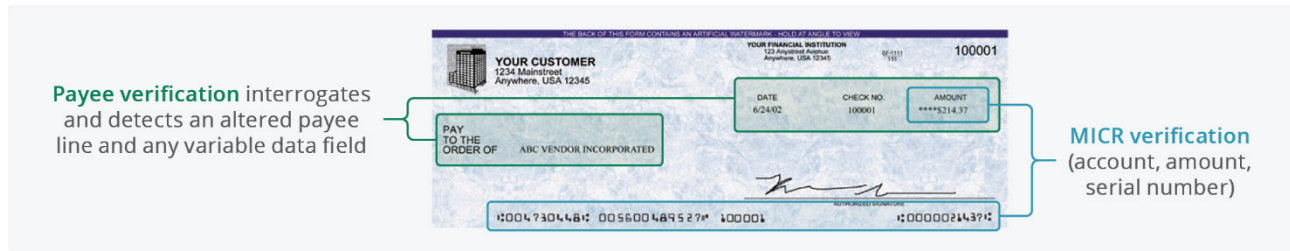


Figure 16

3. How are the exception items under the Positive Pay reported to the City?

Once submitted, daily checks presented are systematically compared against your positive pay check issue file. We review and scrub any exceptions to verify that there are no misencoded items. J.P. Morgan Access generates an exception report the next business day that identifies any mismatched or no-issue information on file items. A notification is emailed based on your defined email groups at the beginning of the following business day.

Using “PUSH” technology, J.P. Morgan Access provides a daily positive pay email notification that indicates accounts with exception items (or discrepancies) or a notice stating, “no items today.” Notification is sent by 11:00 a.m. local bank time and includes a link to the online portal’s Access logon page. Local bank time is defined by the account’s processing state.

4. What is the procedure and timeline for paying or returning exception items?

Your authorized users are provided the report of exceptions upon log on for pay/return decisioning.

Users simply click on the check number of each item to view front and back check images. They select the ‘pay’ or ‘return’ button for each item—or select the ‘pay all’ or ‘return all’ button—and then electronically submit the decisions to the bank. You have until 4:00 p.m. local bank time to notify the bank of your pay/no pay decisions. You receive an online confirmation indicating the submission was successful, which is saved electronically, or you can print it for future reference. This functionality requires no special software.

Optionally, receive a reminder email notification. If outstanding exceptions still require a decision at 3:00 p.m. local bank time, the bank sends out a reminder email notification indicating that the bank is awaiting a final payment decision. A default decision is applied to any positive pay exception item that is still awaiting a payment disposition by 4:00 p.m. local bank time. While the typical default is setup as return, you determine specific default parameters during implementation.

5. Does the bank provide online check imaging for exception items?

Yes. Our online portal enables you to use the internet to review digital images of all exception items and provide instruction to pay or return each item from a single page. The exception items report provides both a front and back image of each item. Payee name exceptions are conveniently delivered along with all other types of exceptions, so you are able to easily employ the most up-to-date fraud protection services. Email notification offers a convenient way to know when exceptions are available for review.

6. Describe the bank's check truncation service. Is online check imaging available for paid items? Deposit slips? Bank correction advices?

Yes. Images of all on-us transactions (paid checks, deposit tickets, advices/adjustments) and account reconciliation (ARP) reports are available via our banking portal. Check images and ARP reports are stored for 7 years (standard) with an option to extend retention up to 10 years.

7. Describe the bank's online stop-payment service and features. How long is a stop-payment effective?

Stop payment requests remain in effect for **one year** and can renew for an additional six years. To streamline the City's stop payment process, we offer the following options:

- **Internet:** Place stop payments online via the banking portal, either directly from within the "Stops" function or more efficiently by using the "Inquiry" function where the check numbers are validated against the issued items
- **File Transmission:** Send a stop (or revoke) payment transaction within the positive pay issue files, allowing stops to be processed in batch
- **Manual:** For back up, contact your designated CSA to assist in placing a stop payment

Online stop payment requests

When placing stop requests via the banking portal, the system searches 90 days of transaction history to identify if the check has been paid (extended retention periods are available) for payment requests entered manually.

If the check has been paid, the system reports the date the item was paid, and you can;

- Choose to continue to request the stop by clicking "enter" (e.g.: to prevent payment of a second presentment of an item with the same check information)
- Choose to cancel by clicking on the "cancel" button If you do not want to place the stop

Once the stop payment request is submitted appropriately, it will be processed within one hour. We provide confirmation online of successful placement of the stop payment request. Print or download details as needed.

Additionally, a **stop payment activity report** is available online. The final status of the item at the time the stop was placed is available on the activity report the following business morning.

8. **The City is not currently making virtual payments, but please describe your capabilities, procedures, and costs for these programs.**

Please see our response including PaymentWorks and virtual card.

PaymentWorks

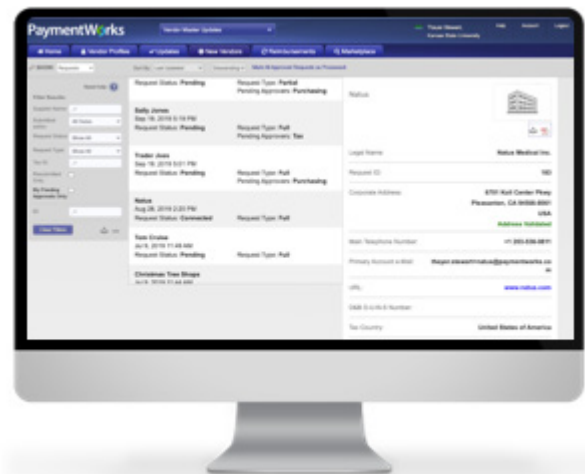
We select only the most innovative fintechs to complement and support our payment strategies. After a thorough vetting process, we chose PaymentWorks to work with for supplier identity management and validation. PaymentWorks enables a combined supplier management and payables optimization solution that is a dramatic and disruptive improvement over yesterday's inefficient, cumbersome model.

Forging relationships with payment processors and enablers increases the number of “monetization channels” we can offer your suppliers. Solving for the needs of specific suppliers ultimately grows monetized spend, resulting in **greater rebate and working capital**.

PaymentWorks is a platform that mitigates the risk of business payments fraud, reduces cost and automates the payee management process. Using PaymentWorks, your suppliers follow a simple registration process that includes self-selecting one of the payment methods you choose to offer (virtual card, ACH, check), which is then passed back to Finance Enterprise, Central Square. Your suppliers also use this self-service portal to update their payment information securely and monitor the status of their invoices.

PaymentWorks' digital supplier onboarding includes payment security monitoring and a supplier self-service portal all in one. Once you implement the PaymentWorks platform as part of your supplier onboarding and payments workflow, the City will no longer need to manually update supplier payment information for any of your suppliers—new and existing. PaymentWorks also verifies that each electronic ACH payment you disburse ties to a validated vendor and shifts the payment liability away from the City to cover domestic ACH fraud with indemnification of \$2 million per occurrence.

With PaymentWorks' robust supplier identity verification tools, the City will have more secure, compliant and optimized business payments¹.



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Reducing ACH risk

To reduce the friction in supplier identity authentication and onboarding, and to address the growing fraud risk associated with this payment type, we suggest the City consider also leveraging our collaboration with PaymentWorks as part of your ACH payment strategy.

Managing your suppliers can be time consuming, costly and stressful. It increases your layers of administration and can expose you to compliance and tax risks, as well as payments fraud. PaymentWorks helps protect against business-to-business (B2B) payments fraud, provides tools to support regulatory compliance and delivers supplier payment optimization.

With PaymentWorks, you receive:

- **Risk transfer for fraudulent business payments.** All supplier types onboarded via the platform are assessed for payments fraud risk. All domestic ACH payments made to suppliers who have been risk assessed are covered by the \$2 million fraud warranty².
- **Time savings and increased efficiency** by having PaymentWorks automate manual tasks, like Supplier Master Request Forms, W-9s, sanctions checks or answering invoice status questions.
- **Compliance risk mitigation** via continuous sanctions monitoring, auditable approval and submission trails and the collection of insurance, conflict of interest and diversity documentation.
- **Increased automation** with efficient, electronic and secure supplier onboarding.

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Gain benefits with PaymentWorks

Once you implement PaymentWorks, you will no longer manually update supplier payment information for any of your suppliers—new or existing. With PaymentWorks' robust identity verification tools, the City will reduce risk exposure to payments fraud scams, compliance issues and manual mistakes.

PaymentWorks automatically reviews all supplier and payment information to verify you're making accurate payments to your intended beneficiary. Additionally, PaymentWorks:

- Provides indemnification for all domestic ACH payments made to suppliers on their platform, with up to \$2 million per fraud occurrence
- Continuous sanction lists monitoring
- Establishes internal and external compliance requirements for your suppliers (e.g., diversity certifications, insurance certificates with automated notifications of expiration and Conflicts of Interest attestation)

- Eliminates the need for the City's staff to update supplier bank account information via phone or email or have it visible/stored in the ERP
- Eliminates collecting paper, e.g., Supplier Master Request Forms, W-9s, bank account documents
- Provides an auditable onboarding and approval log for each input and change of supplier data

Virtual card overview

We offer a single-use, multi-authorization, electronic, credit card-based payment method to help the City more efficiently manage payments, reduce costs and transform traditional areas of expense into potential revenue generators.

Gain the flexibility, float and rebate of a purchasing card coupled with powerful payment controls, anti-fraud and reconciliation features of virtual cards.

Benefits of our approach to virtual card

Improve access to cash by extending float, increasing liquidity and creating a more streamlined payment process



Take advantage of automation and integration, and match payments to streamline reconciliation

Gain control and reduce fraud and misuse through enhanced security controls



Maximize rebates by using strategies that capture more spend

Create mutually-beneficial value with your strategic suppliers



Reconciliation to the penny using a preset dollar amount equal to the invoice amount

Virtual cards are equal to the approved payment amount. There is just **one account per payment** to help make sure the merchant only has access to approved funds for a specific payment.

Virtual card reconciliation is based on **matching four key elements** of purchase payments to transactions: account number, validity dates, dollar value and merchant category code (MCC). When these items match, reconciliation occurs automatically, and you gain further efficiencies by integrating into your Finance Enterprise, Central Square system.

Section M – Daylight Overdraft Protection

The City currently requires daylight overdraft protection.

1. Describe any issues, concerns, and charges associated with the use of daylight overdraft facility.

Recognizing a client's credit standing, an appropriate intraday credit limit will be made available to make sure your transactions flow smoothly and efficiently through our systems. This limit is electronically verified by our Funds Transfer Balance Control System. Payments within the limit, plus the current cash position in your account, will instantly flow through to the appropriate execution mechanism.

If a payment takes your account balances over the intraday limit, we store the transfer electronically and refer it to a funds control officer for approval. If we receive covering funds while storing the payment, the transfer is automatically released without manual intervention.

One important feature of our system is the ability to group designated accounts together into a single relationship for intraday credit purposes. This provides for the release of payments when the total balance and intraday limit in your grouped accounts is sufficient.

2. Will the bank guarantee payment of all the items even if it results in the account being overdrawn temporarily for the day?

Yes, payment will occur even if it results in the account being overdrawn temporarily for the day.

We establish an intraday limit and describe our process below.

Considering the established credit standing, an appropriate intraday credit limit is made available to make sure your transactions flow smoothly and efficiently through our systems. The limit is electronically verified by our Funds Transfer Balance Control System. Payments within the limit, plus the current cash position in your account, are executed.

Should a payment take your account balances over the intraday limit, the transfer will be stored electronically and referred to your funds control officer for approval. If covering funds are received while the payment is stored, the transfer will be automatically released without manual intervention.

An important feature of our system is the ability to group designated accounts together into a single relationship for intraday credit purposes. This provides for the release of payments when the total balance and intraday limit in your grouped accounts is sufficient.

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Section N – Merchant Bankcard

The City currently accepts Visa, MasterCard, Discover, and American Express credit and debit card payments. The City currently has six (6) merchant locations or I.D.s accepting payment for the City for services. The City prefers a single point of contact for technical issues, configuration changes, upgrades, maintenance, and troubleshooting for any merchant bankcard issues.

1. Please describe the bank's Merchant Bankcard and Point-of-Sale processing capabilities.

Merchant Services is a trusted industry leader in payments processing and a critical line of business under our J.P. Morgan Payments group, helping clients optimize, grow, simplify and protect their payments. More than 4,000 Merchant Services' employees help organizations like the City implement and advance more secure and efficient payments programs that matter most to your customers, while establishing an optimum processing environment to help you streamline operations and optimize the cost of doing business.

Our market leadership is more than just numbers. We actively participate in industry and regulatory initiatives, and we are a leading institution in the development of international industry standards. We hold important positions on committees that shape the course and direction of each market where we provide customer payment solutions and pass the benefits of this influence and experience on to our clients.

Our global merchant processing volume for 2024 was more than \$2.58 trillion and comprised of clients across a broad range of industries, segments and locations. Our proprietary platforms enable us to offer the City integrated solutions for all major payment types – from credit and debit processing to digital, alternative and mobile payment options. We support a variety of point-of-sale and card-not-present environments while providing security and reliability and a full spectrum of payments services we can tailor to meet your objectives

2. Please describe your reporting methodology and how adjustments and chargebacks and other debit adjustments are netted from daily proceeds. Are they debited from daily proceeds or debited separately? Is the discount fee refunded when a chargeback or refund occurs? What is the rebuttal process?

This is dependent on your set up, we usually debit disputes/chargebacks from your main operating account but can debit them separately from your daily funding credits. We process debit and credit card disputes/chargebacks and other debit adjustments during the daily settlement process.

We support referenced refunds, but they are treated as stand-alone, distinct transactions, therefore transaction fees apply. Refunds receive interchange credit determined by the payment brands on how the refund qualifies, but not necessarily at the rate of the sale.

For a customer-disputed chargeback, you may choose to provide a rebuttal letter or respond with other documentation within the chargeback solution. The payment brands require certain documentation, with which your chargeback analyst can assist. You also have access to a reason code user manual if needed.

You must respond by the "Due Date" printed on the dispute/chargeback documents or as shown in our chargeback solution.

3. When and how will the City receive funds for each day's transactions? Are settlement amounts listed separately on the bank statement or will they appear in one lump sum? Will the bank break out settlement amounts by merchant location?

Funding occurs based on how you configure your company level at setup. You may fund at the company level or designate one or more business units (BU) under the company level where funds transfer instructions (FTIs) are established. The number of allowed DDAs for funding will depend on the company level structure.

Net settlement clients will designate a single DDA, while gross settlement clients may designate up to five DDAs. Net settlement clients are eligible for next business day funding when they settle to a J.P. Morgan DDA. Gross settlement clients may also be eligible for next business day funding when they designate the same J.P. Morgan DDA for all deposit and fee debits. Next business day funding is not available when multiple bank accounts are selected within the funding categories. Deposits can be made by funding category (i.e., deposits, fees, chargebacks, financial adjustments). Each category can be funded separately or netted into one or several separate amounts. Deposits can be made individually by merchant number or can be rolled up by chain. We send these transfers individually, but it is up to each merchant bank's reporting as to whether or not the individual transfers are separated.

4. What is the cutoff time for card transactions?

Next business day funding is available if you have a J.P. Morgan DDA, with all transactions received by our 8:59 p.m. PT cut-off settlement time sent to your bank for value as defined below; transfers on bank holidays occur one business day later than normal. This late window allows access to Visa, Mastercard, and debit funds that are deposited into your J.P. Morgan account by 6:00 a.m. PT on the next business day (i.e., excluding weekends and bank holidays); Saturday and Sunday settlements are funded Monday. Gross settlement clients must designate the same J.P. Morgan DDA for all funding categories to be eligible for next business day funding.

If you do not have a J.P. Morgan DDA, our cut-off settlement times are 10:00 a.m. PT and 2:00 a.m. PT. Our window of 10:00 a.m. PT allows for access to Visa, Mastercard and debit funds that we deposit into the bank of your choice the next business day. Our deposit window of 2:00 a.m. PT allows you to submit 'whole day' processing at one time for funding the following business day. Separate funding is provided, according to the chart below, if we receive multiple settlement files within each settlement time. Saturday and Sunday settlements are grouped with Monday's settlements for transferring funds to your bank account(s).

You may send all card types in one file; there is no need to send separate files for non-bank card transactions. Non-bank card deposits are electronically conveyed for settlement to the appropriate company, and you receive payment directly from that company. Funds will be electronically deposited into the account(s) specified by your organization via ACH transfer. Based on your contract with American Express, and your processing agreement with J.P. Morgan, American Express transactions can be settled through us or conveyed.

Our reports break out each day's deposits, fees, chargebacks, etc. in detail, including Saturday and Sunday. Our multibank account system allows you to choose one or many bank settlement accounts in one or many financial institutions. Each merchant number you establish is linked to a specific bank settlement account.

J.P. Morgan DDA* clients		Non-J.P. Morgan DDA clients	
File to Merchant Services	Client credited via ACH **	File to Merchant Services	Client credited via ACH
8:59 p.m. PT	6:00 a.m. PT	10:00 a.m. PT	Next business day
	Next business day	2:00 a.m. PT***	Next business day

*The designated settlement account for merchant funds must be a DDA with JPMorgan Chase Bank, N.A.

**Funding day is calculated based upon the day and time the settlement file is received

***Preferred settlement time for “whole day” processing

- 5. The City has purchased three (3) credit card terminals. Can the bank supply the City with additional terminals if needed? We are currently using FD150 and Clover, is this equipment compatible with yours? If the current equipment is not compatible, please provide pricing for the required new equipment.**

No, FD and Clover terminals are proprietary terminals that are not compatible with J.P. Morgan.

We sell point-of-sale equipment through our vendor or the City may opt to obtain point-of-sale equipment that is certified to our network from a third-party vendor.

Class A terminals that are actively sold, certified and supported by us include:

- Ingenico Android: DX4000 (IP/Ethernet only) \$399 per device and DX8000 (WiFi/4G only) stand-alone terminals \$499 per device

- 6. Is the bankcard relationship managed by a separate unit of the bank, or by the Account Relationship Manager? Please briefly describe the structure of this program.**

You will have one team working to support your overall financial needs, understand your current objectives and provide a strategic approach to solving your challenges. The team will recommend comprehensive solutions, allowing you to maximize efficiencies across your entire commerce cycle.

Your relationship team will work closely with your Banker, Veronica Villasenor and your Treasury Manager, John Wacaster, to support the City throughout your journey, understand your current objectives and provide a strategic approach to solve your challenges.

- 7. When and how are the merchant fees charged to the City? Can this fee be paid through account analysis? Is tiered pricing available?**

The current pricing structure is for daily discount; however, other options exist but require review and approval and may incur an additional fee.

8. Is reporting information available online? What is the fee associated with this service? Is a “corporate level” view available to see all the merchant accounts?

Our reporting solution provides 24/7 access to your payments processing data (e.g., front-end point-of-sale and back-end reconciliation data). Generate, view, print and export a variety of summary, detail and trending reports on a daily, weekly and monthly basis, including financial and transaction and portfolio-based detail, retrievals and chargebacks, and customized analytical summaries. Download data files and select from a broad variety of standard reports to suit your documentation needs, all to help you effectively manage your payments processing data, review deposit activity to improve cash flow, and view and analyze payment data efficiently for cost savings analysis.

Our reporting solution offers numerous standard features, including secure access with card masking. Administrative tools allow you to create and remove users and change user entitlements for reports and modules. The Bank Lookup capability allows you to search for card issuing information to assist in research, and the Merchant Search capability helps you find locations within your hierarchy. Tailor the reporting tools and filters per your user preferences that make the most sense for your organization. User guides and tools are also available online to help get your users up to speed.

The following modules of our reporting solution offer you a host of features and capabilities:

Chargeback Management System module: Use this interactive module to manage items such as disputes/chargebacks and retrievals online. View and immediately respond to inquiries, disputes or accept disputes/chargebacks, and fulfill retrieval requests. Respond to us using an email address, a scanned sales receipt or other documentation, or a combination of both.

Instant Alerts module: Receive Instant Alerts via email notifying you of potential financial risks from card payment exceptions or special conditions (e.g., multiple disputes or chargebacks, repetitive high-volume card usage). We continuously review your payments processing data for triggered exceptions and special conditions based on thresholds you set. Timely notification of these types of issues through Instant Alerts gives you the opportunity to correct them immediately and focus on locations that may require procedural changes, helping you save time and reduce expense and resource costs.

Virtual Transaction Manager (VTM) module: Gain real-time access to your front-end point-of-sale, batch and transaction data so that you can view transactions within seconds. VTM offers summary and detail reports, as well as the ability to search for transactions meeting certain search criteria. You can view data at a merchant or higher hierarchy level, specify date ranges and other applicable criteria, and view results quickly. Available reports include All Transactions, Batch Summary (batch and transaction detail), Card Type Summary, Suspense Batch Summary and Transaction Search.

Recon Solution module: Access comprehensive reports to support your reconciliation, research and analytical needs. Quickly view deposits, batch activity, transaction detail, card totals, qualification information, funding data, processing fees, adjustments, retrievals and chargebacks, authorization detail, and statements online. Available reports include:

Recon Solution reports

- 
- | | | |
|---------------------------------|------------------------------|-----------------------------|
| • All Transactions | • Deposit Rejection | • Outstanding Retrievals |
| • Authorization Search | • Deposit Rejection Analysis | • Private Label |
| • Batch Exception | • Dispositions | • Qualification Search |
| • Batch Summary | • Dispositions Analysis | • Qualified Transactions |
| • Card Number History | • Exceptions Summary | • Recap Summary |
| • Card Number Search | • Expired Retrievals | • Re-presentments |
| • Card Type Analysis | • Financial Adjustments | • Reversals |
| • Card Type Summary | • Fulfilled Retrievals | • Reversals Analysis |
| • Card Type Summary by Merchant | • Hierarchy Structure | • Settlement Fees Detail |
| • Debit Adjustments | • Location Search | • Settlement Fees Summary |
| • Debit Card Analysis | • Non-Qualified Transactions | • Settlement Summary Select |
| • Debit Monthly Card Analysis | • Online Statements | • Summary of Fees |
| • Denied Reversals | | |

Figure 17

9. What portal/program will be used for front-end and back-end operations?

Please refer to our response in question number 8. above

10. Do you offer an implementation credit for purchasing equipment, scanning devices, and credit card machines if our equipment is not compatible with your system?

No, a merchant services implementation is not included in this pricing proposal.

11. Please explain your rate increase policies. Can the rates be fixed for any period during the City's Agreement?

Merchant services pricing is confirmed for the length of the Agreement. Card brand interchange and assessments will be passed thru to the City at cost.

12. What payment gateway platforms are accepted or provided?

Our clients benefit from the flexibility and convenience that our relationships with third-party service providers offer. From terminal hardware to gateway technology, hundreds of technology providers are certified to us. In addition, we closely collaborate with certain industry service providers, so our clients have access to a variety of available resources when building their processing environment. We would be pleased to work closely with you to review any e-commerce platforms you may be contemplating and ensure the best-fit path for payment acceptance is ultimately implemented.

13. What is your involvement with maintaining PCI compliance?

We support the City by assisting in the clarification of PCI DSS requirements. We act as the liaison between you and the various payment brands' security programs. We also host conference calls and client meetings/training, as needed. These training sessions serve to educate OSU about cardholder data security requirements and payment brands mandates for compliance to PCI DSS.

As a founding member of the PCI SSC Board of Advisors, we continue to serve your interests, as a participating organization member and liaison to the PCI Council. We further facilitate discussions with the Qualified Security Assessor (QSA) and payment brands representatives surrounding accelerated compliance strategies and risk mitigation techniques. We frequently publish awareness bulletins and articles to update you on new technologies, training opportunities, regulatory changes and emerging fraud/compromise risks. Additionally, we provide PCI DSS compliance resources at:

<https://merchantservices.chase.com/support/protect-your-business/datasecurity>.

The following are links to the data security programs of the Visa, Mastercard, American Express, Discover and the Payment Card Industry Security Standards Council's (PCI SSC):

Organization	Program name/link
Visa	Cardholder Information Security Program (CISP)
Mastercard	Site Data Protection and PCI – Mastercard
American Express	American Express – Data Security
Discover	Credit Card Security – Discover Card
PCI SSC	PCI DSS, PA-DSS




Section O – Purchasing Card

The City currently has a purchasing card program in place for employees to make various types of purchases and incur expenses for City-related business.

1. Provide an overview of your purchasing card program and its features.

We offer several Commercial Card solutions and highlight them at-a-glance below.

Whether it be traditional plastic cards for procurement and travel expense or advanced payables solutions like virtual cards, let us design the optimal program solutions to help the City transform your business.

Commercial Card solutions	
	<p>Purchasing Card</p> <p>Plastic and cardless (ghost) payment solution</p> <ul style="list-style-type: none"> • <i>Reduce costs:</i> Increase efficiency, streamline processes and reduce costly manual processing on low-value/high-frequency spend • <i>Enhance control:</i> Enhance employee convenience with spend controls and added visibility to promote policy adherence and minimize misuse • <i>Realize gains:</i> Create potential for rebate revenue and cash flow optimization
	<p>Corporate Card</p> <p>Plastic travel and entertainment payment solution</p> <ul style="list-style-type: none"> • <i>Empower travelers:</i> Empower business travelers to make purchases within the limits and boundaries set by the organization • <i>Improve convenience:</i> Take advantage of broad acceptance at millions of locations worldwide and increase spend capture • <i>Increase visibility:</i> Level III travel data is available within PaymentNet (if passed by the merchant) for display and reporting to allow for spend visibility and policy monitoring.
	<p>One Card</p> <p>One solution to manage multiple types of spend</p> <ul style="list-style-type: none"> • <i>Simplify processes:</i> Simplify program administration and place essential program functionality at the fingertips of your users • <i>Enhance control:</i> Greater employee convenience and streamlined purchasing control with one card to carry and one set of spend controls • <i>Aggregate spend:</i> Aggregate spend capture as you consolidate the rebate revenue stream for optimal earning potential

Commercial Card solutions



Virtual Card

Virtual, electronic single-use payables solution

- *Automate control (to the penny)*: Automate higher value spend requiring accounts payable control or “one-off” transactions
- *Get it all*: Receive the benefits of a Purchasing Card with the controls of a check (payee, date, amount) and the efficiencies of ACH
- *Realize gains*: Take advantage of earning rebate revenue, extending float, increasing liquidity and streamlining the payment process

Leverage the experience of a market leader

What does that mean to you?

It means we provide you with proven solutions and time-tested features tailored to your complex needs—regardless of the size of your program, range of spend, specific business challenges, goals and technology.

Being one of the most strongly capitalized bank-holding companies means you benefit from our flexibility to pursue technology enhancements and capital investments into new products and services, to continually seek **innovative concepts** and ways to increase operating efficiencies.

Leverage our consultative approach at all stages of your program

Our consultative approach means we are relationship focused. We design, implement and manage a solution to meet your needs, subject to your approval.

From implementation to ongoing support, dedicated in-house implementation helps you get started and in-house service provides ongoing client care to help solve problems quickly.

We begin by taking the time to learn more about the issues that confront your organization each day, your processes, how these processes work, and what you are trying to achieve.

Once we have assessed your needs, we recommend the program that works for you to enhance control, simplify payments and optimize cash flow.

Leverage our specialists to optimize your payment strategy in areas of:

- Industry benchmarking
- Program communications
- Program consistency
- Spend segmentation analysis
- Program value quantification
- Supplier recruitment





Leverage our scale

With one of the highest acceptance rates in the industry, we put the convenience of you and your cardholders first. We can help you drive adoption and capture more spend, using our large supplier network, extensive recruitment experience and broad base of acceptance.

Capture scale from a payments leader and engage J.P. Morgan Commercial Card Solutions to earn more rebates, drive operating efficiencies and enhance control.

2. Does the bank offer a purchasing card service? If so, please describe the service.

Yes. Streamline and simplify your payables process with our Purchasing Card.

Better value with Purchasing Card solutions	
	Identifying opportunities to improve your efficiency <ul style="list-style-type: none"> • Increase rebate revenue with spend • Manage cash flow via accelerated payments that increase float • Gain greater insight into supplier consolidation opportunities due to enhanced spend visibility and increased leverage with vendors in price negotiations
	Achieve efficiencies <ul style="list-style-type: none"> • Save time with reduced manual processes for low-dollar, high-frequency spend • Integrate Purchasing Card with your enterprise resource planning (ERP) system to consolidate visibility into payment data • Implement transaction and/or velocity spend controls to reduce time spent on monitoring adherence
	Improve the employee experience <ul style="list-style-type: none"> • Connect cardholders with easy access to user-friendly online and mobile solutions • Provide cardholders with tools like receipt imaging and automated allocation to improve reconciliation • Render clear insight to cardholders by providing transparent guidelines, control and usage at their fingertips • Offer the convenience of global acceptance • Offer onshore global cardholder customer service support 24/7
	Enhance supplier relationships <ul style="list-style-type: none"> • Reduce disputes over late and/or delayed payments • Lower carrying costs

Increase control over the purchasing process

Improve your program with increased control over your purchasing process.

Our proprietary PaymentNet software provides you with detailed financial system mapping, precise front- and back-end controls, web-based program management functions, automated alerts to flag potential non-compliance, and reports to help verify supplier rates and usage.

A wide range of spend reports help you be more productive with accurate transaction data for more reliable financial reporting.

3. Please detail all the fees associated with the service and/or any rebate available with the program.

Refer to Appendix 9 for our Commercial Card Consortium pricing.

4. How often are the statements and reports available to the City? Is the reporting available online?

Statements are available for viewing within two business days after the billing cycle ends.

Use PaymentNet's online statement functionality to view statements. Cardholder access to the online statement feature is granted by the City's program administrators.

Billing cycles and payment terms

We offer a wide range of billing cycle closing dates, allowing the City to select the date that is most appropriate for your calendar. This date can vary for each subsidiary that has its own accounting system.

Billing runs on a 30-day cycle with payment due 14 days after the end of the cycle for Purchasing Card and 25 days after the end of the cycle for corporate (travel) cards.

PaymentNet reporting helps you manage your program

Our proprietary PaymentNet system provides the tools and information for the City to effectively manage your commercial card program activity. PaymentNet reports all data passed by merchants at the point of sale.

We develop PaymentNet reports based on best practices and actual client usage to make them effective, practical and convenient.

PaymentNet feature	How you benefit
A library of reports covering key operational categories	Meet common program needs with reports categories of accounts, administration, cardholders, merchants, and transactions, as well as in-depth reports if you use our virtual cards
Options for generating reports on-demand or on a pre-set schedule	Create daily, weekly, monthly, by cycle, quarterly and annual reports in real time or set up reports for automatic generation based on your goals
Tools to tailor reports	Use filters and queries to refine report information and yield the precise details to meet specific objectives, provide to special audiences
Flexible output formats	Download for further analysis or archive reports in Excel, PDF and CSV format and print copies as needed.
Email notification	Set up notification via email when a report is ready to view or download
Information access 24/7/365	Simply use a secure web browser (e.g., Firefox or Chrome) and enable JavaScript and cookies for authorized users to virtually access their PaymentNet accounts and reports

5. Is there an interface available to download cardholder purchase information, either in an Excel format or directly to the City's accounting system?

PaymentNet displays all information provided by merchants at the point of sale, including level II and level III detail. The City can download transaction data from PaymentNet to your ERP system daily.

Data collection process flow

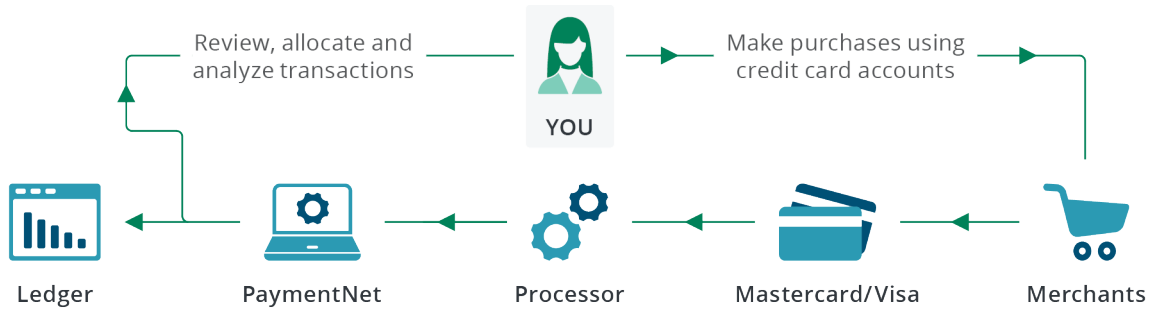


Figure 18

We offer several file feeds customized for accounting software packages, as well as a range of data transfer options, including SFTP, XML and HTTP over TLS.

After downloading your transaction data, the City can have it sent directly to your ERP system or to your PaymentNet user interface. You select your file transmission method during implementation. Transaction data will remain in the PaymentNet user interface until a user manually downloads it to your system. Files within the PaymentNet user interface are available for 365 days and can be deleted as necessary.

Mappers

We have extensive experience in mapping commercial card data. Our flexible technical integration capabilities will allow the City to import your transaction information into your ERP system daily, weekly, monthly or by billing cycle.

We offer three file options to fit the needs for data formatting: a standard transaction file, a flex mapper utility and an internal development tool called the Data Extract Utility (DEU). The standard transaction file and flex mapper allow clients to run files without additional assistance from us, while our DEU is available for clients with more extensive or complex requirements.

Standard transaction file

Our standard transaction file allows the City to load data into your systems without additional assistance from us.

This static, tab-delimited file is available within the PaymentNet user interface and contains more than 700 data elements, giving you access to a wide range of details, including transactions, merchants, chart of

accounts (when applicable) and reporting hierarchy. If merchants have passed level III or enhanced data with transactions, that information is also included in the file.

This file option is available through the user interface and may be created and generated through the mapper utility. We also provide technical resources and a developer's guide to help you easily map data elements.

Flex mapper

Our flex mapper offers 90 data elements (65 standard data elements plus custom fields created by the user, up to the maximum of 25 custom fields), making it most useful for clients that require only basic transaction information.

Like the standard transaction file, the flex mapper allows the City to build and maintain files without assistance with files available through the PaymentNet user interface. The flex mapper also allows you to determine which elements are exported, the order in which they are arranged and the file format.

This file option is offered at no additional cost, and our PaymentNet user guide helps you easily use the file and see which data elements are accessible with this method.

Data Extract Utility (DEU)

Our DEU was developed for clients requiring more extensive capabilities than those offered by our flex mapper. With the DEU, the City can develop file specifications that we will build and deliver at no additional cost.

The DEU allows for output fields to be grouped together, calculated fields and counters, and a vastly expanded range of data elements, including transaction, order and account elements. Level III data (as well as most data displayed in the PaymentNet user interface) may also be accessed with the DEU. Additionally, the tool offers a broad choice of formatting and file output options.

6. Do you provide an online application to review/approve procurement card transactions and to manage other aspects of the program?

Yes. We offer the City PaymentNet, our fully hosted online solution that requires no client-side software and is accessible from virtually any secure internet browser.

Streamline program management

Automate administration of your card program, simplify cardholder tasks and streamline account reconciliation with PaymentNet.

Be more efficient with the right tool

	<p>No software to install or maintain</p> <ul style="list-style-type: none"> • PaymentNet's web-based solution means nothing to install • Our fully-hosted system means we take ownership of hardware platform needs, not you • Access PaymentNet on the go with our mobile website—great for cardholders, too
	<p>Handle everyday tasks more quickly and efficiently</p> <ul style="list-style-type: none"> • Access key information, address core tasks and make payments directly from the home page • Make real-time profile changes, adjustments of account controls • Reduce the need for repetitive manual effort with mass updates
	<p>Monitor, analyze and report on your program spend—your way</p> <ul style="list-style-type: none"> • Design custom reports to fit your needs—or choose from standard report options • Save time and schedule reporting to run automatically • Create and save report queries in a way that meets your needs
	<p>Create hierarchy structures that meet your business needs</p> <ul style="list-style-type: none"> • Save time and establish defaults to simplify reporting and transaction approval • Built-in hierarchy support gives authorized personnel access to a wide range of administrative options • Hierarchy structures allow cardholders to benefit from convenient, self-service features
	<p>Set controls with real-time adjustments to promote adherence to expense policy</p> <ul style="list-style-type: none"> • Enforce spend policies before a transaction is even initiated • Limit unauthorized usage while still giving employees exceptional flexibility • PaymentNet puts you in control, from the cardholder to the program administrator to the auditor
	<p>Gain greater transparency and insights into your program spend</p> <ul style="list-style-type: none"> • Minimize manual tasks while increasing administrative speed and accuracy • Provide transparency and accountability to management with a full range of audit trails • Get the information you need to enable you to break down and analyze your program spend
	<p>Use a one-step, paperless process to capture the entire card application</p> <ul style="list-style-type: none"> • Manage each step online—from card application to approval to card request within PaymentNet • Give program administrators full traceability and cardholders online status of their application • Save more time by establishing user access roles for each account during card issuance
	<p>Upload data to your general ledger to streamline the posting process</p> <ul style="list-style-type: none"> • Populate your general ledger as often as needed, automatically with the latest transaction data • Specify different record types, order and sorting based on your system requirements • Eliminate time-consuming manual input of data into existing general ledgers

Maximize control—put essential functions at your users’ fingertips

Get features and functionality not confined to the standard (and often limited) functionality of third-party reporting tools.

Experience a new level of efficiency and control with PaymentNet

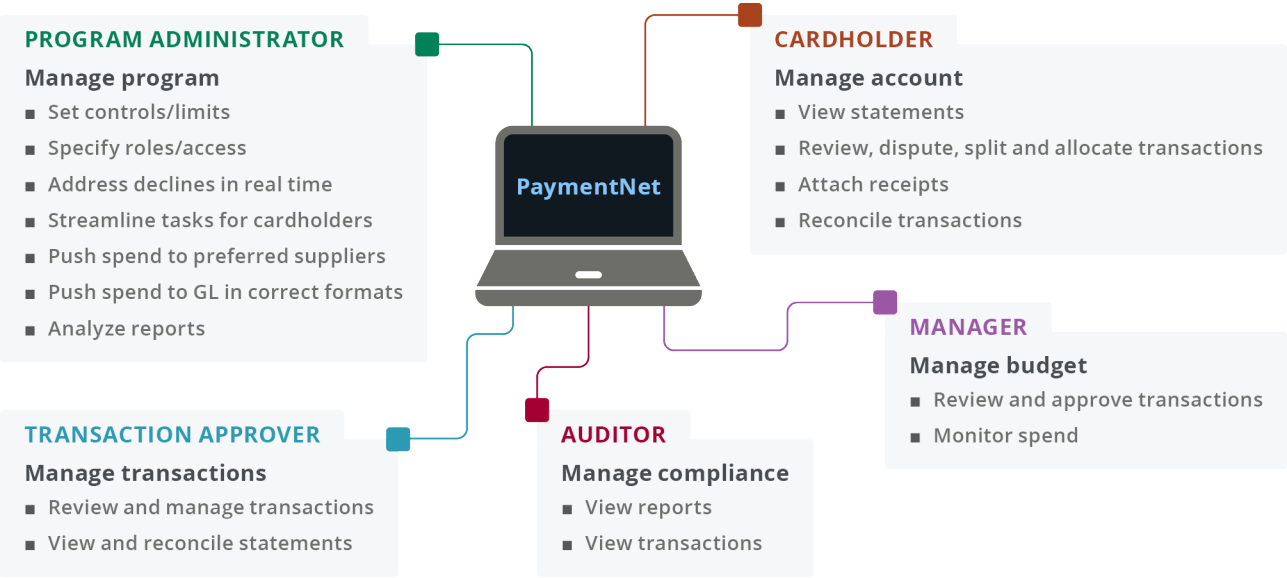


Figure 19

Simplify account management

Appreciate the user-friendly, intuitive navigation developed by the **largest** U.S. commercial card bank issuer (Nilson Report, Issue 1263, May 2024).

Stay current with a snapshot view of your program

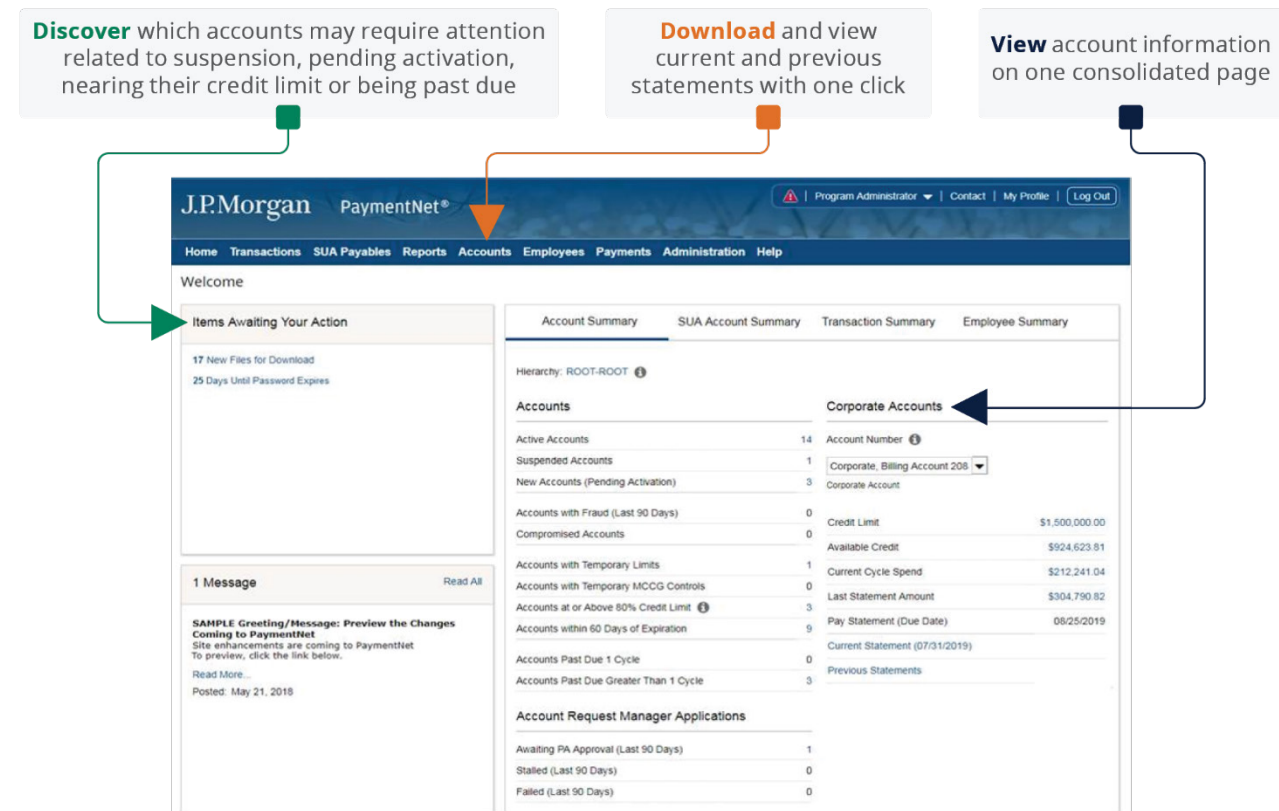


Figure 20

Screenshot is for illustrative purposes only. Some features of the dashboard may not be visible depending on the organization and hierarchy settings.

We offer PaymentNet at no charge. To help you get the most out of PaymentNet, we provide comprehensive training for your program administrator, as well as a variety of training options and materials for cardholders and other users.

Your valuable data is protected through industry-proven Transport Layer Security (TLS) encryption technology. All sensitive data is masked, the login process is password protected and security access levels can be configured to help make sure that only authorized City personnel have access to critical information.

7. Does the online application allow employees to enter accounting codes for transactions and attach supporting documentation such as receipts?

Yes. With PaymentNet, the City manages reconciliation by assigning default accounting codes, then reallocating or splitting transactions. When reconciliation is complete, users can simply mark transactions as reviewed and submit them for approval based on rules you establish.

Assigning default accounting codes

PaymentNet's custom accounting code system can imitate your existing system, allowing the City to define your accounting code segments. The segments can also accommodate multiple codes within each segment.

Once your codes are set up in the system, PaymentNet will automatically attach default accounting codes to each transaction based on transaction defaulting rules for employee, hierarchy, merchant, MCC, account or customer code. Each accounting code has a flexible number of alphanumeric characters, giving you the flexibility needed to accurately and easily allocate transactions.

Default accounting codes

J.P.Morgan PaymentNet®

Program Administrator ▼ | Contact | My Profile | Log Out

Home Transactions Reports Accounts Employees Payments Administration Help

Transaction Detail - General Information

Return to Transaction List

General Information | Receipts | Addendum | History

7 of 12 ◀ ▶ 🔍

Save Dispute

* Required Fields

Transaction Information

Settlement Method Commercial Card

Transaction Type Purchase

Account Number 7702

Transaction Date 02/23/19

Post Date 02/14/19

MCC 3061

Merchant Airline 3061

Merchant Location HOUSTON, TX,

Original Merchant Airline 3061

Parent Merchant Airline 3061

Customer Code

Micro Reference 24036219134655000003639

Authorization Number 077423

Approval Status – New

Review ☐

Accounting Codes

Chart of Accounts Company ABC Chart ▼

Company* 273 - Commercial Card Se ▼

Cost Center* 59608 - West Sales Team ▼

GL Account* 6431014 - AIR TRAVEL ▼

Transaction Custom Fields

Receipt Attached * ☐

Transaction Notes

3000 characters maximum (applies to all transaction notes)

Figure 21

Default accounting codes are automatically attached to transactions in PaymentNet.

Reallocating transactions

Within two business days of merchant posting, PaymentNet users access transactions, edit chart of account segments and custom transaction field(s) attributes before downloading data into the City's general ledger.

As users review the information, each transaction is shown with pre-populated accounting codes. Users manually allocate accounting codes by free-form input or select the appropriate code from a drop-down menu. The accounting codes displayed within the menus are appropriate for each user based on the user's role in your hierarchy.

The City's managers, auditing teams and program administrators benefit from being able to effectively monitoring which transactions have been edited, viewed and approved.

Splitting transactions

Users can split transactions up to 99 times among accounting codes. PaymentNet's Transaction Allocation report tracks how each transaction is being split among cost centers. Your program administrator and managers can use the report to confirm that charges are being reassigned to the correct accounting codes.

Receipt imaging

Our receipt imaging feature lets users scan and upload or fax receipts into PaymentNet and associate them with transactions for easy reference and retention.

Cardholders attach receipts to their transactions and program administrators receive a daily bulk export file of the uploaded receipt images.

Receipts can be associated with reference data such as a description, the receipt date and the amount.

Once a receipt is uploaded, the information can be viewed and downloaded via a link next to the transaction. Multiple receipt images can be downloaded in one action. You also have the option to receive a file transmission daily containing all receipt images that were uploaded the previous day.

The images are available online for **24 months** via PaymentNet.

Adding receipts to transactions

J.P.Morgan PaymentNet®

Program Administrator | Contact | My Profile | Log Out

Home Transactions Reports Accounts Employees Payments Administration Help

Transaction Detail - Receipts [Return to Transaction List](#)

General Information Receipts Addendum History 1 of 1

To upload receipt image files from your computer, select "Attach Receipt". The acceptable file formats are PDF, JPG, GIF, TIFF or PNG, and each file cannot exceed 5MB.
To fax receipts, select "Print Fax Cover Sheet" to open a document that you must print, be sure to turn off any pop-up blocker on your browser. Once printed, fax the bar-coded cover sheet with your receipts to the number on the cover sheet. Within a few hours, your faxed documents will be attached to the transaction.

[Print Fax Cover Sheet](#) [Attach Receipt](#)

<input type="checkbox"/>	Receipt Name	File Type	File Size	Description	Receipt Amount	Receipt Currency	Receipt Date	Upload Date	Action
<input type="checkbox"/>	TEST RECEIPT	PDF	0.080MB	Test Receipt				10/31/2018	Update

0 of 1 Selected

[Download Selected](#) [Delete Selected](#)

Figure 22

Users can easily append receipts to transactions for more efficient oversight, increased control and policy compliance, and reduced costs.

8. Is there a card payment program available for vendors, such as a virtual card or “ghost” card? Describe the program and remittance process.

Yes. We offer virtual cards as well as ghost cards.

Virtual cards on PaymentNet

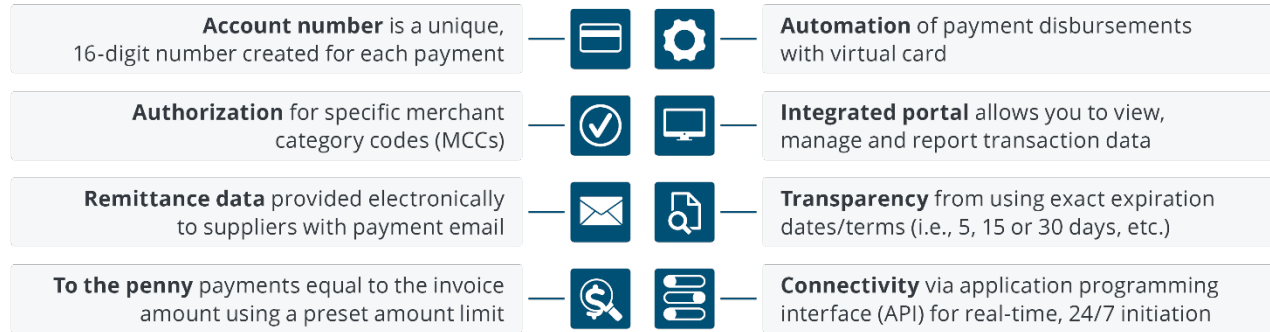
Virtual cards at J.P. Morgan provide an electronic, credit card-based payment method that helps clients like the City more efficiently manage your payment process. Virtual cards also help reduce costs and transform traditional areas of expense into potential revenue generators.

We offer a true virtual card solution. Each virtual card has a credit limit equal to the approved payment amount. With a design that creates just **one account per payment**, the merchant only has access to approved funds for a specific payment.

When all **four key elements of purchase** payments to transactions match—account number, dates, dollar amount and merchant category code (MCC)—reconciliation occurs automatically. A reconciliation file is then delivered to the City’s ERP system.

We offer various integration options for virtual cards—**API, batch and online**—that leverage PaymentNet. Several of our clients leverage API and batch for specific use cases. These clients enjoy a cohesive/consistent experience with the robust capabilities that PaymentNet offers.

Benefits of our approach to Virtual Card



Couple powerful payment control, anti-fraud and reconciliation features with the flexibility, float and rebate of a purchasing card.

When you replace less efficient payment methods, such as checks, with virtual cards, you hold onto cash longer while paying suppliers sooner.

Remittance information

Most often, our clients request that we send payment information directly to their suppliers via email. We encourage suppliers to set up secure email during enrollment. This is a one-time process and allows the supplier to receive remittance information and complete payment information (comprised of full virtual card number, expiration date and three-digit security code). As an alternative, the City can communicate payment and remittance information directly to your suppliers following your own internal communication processes.

Secure email

We offer secure email functionality using SecureMail. Secure email provides full account information in a single, encrypted email message.

The full account information includes:

- 16-digit account number
- Expiration date
- Card security code (also known as CVV/CVV2)
- Billing zip code

Suppliers will receive a verification link and will be directed to our secure reader portal to choose their preferred verification method.

Ghost cards

Purchasing card account numbers can be given to your authorized suppliers to keep on file for use in all organizational transactions. These 'ghost' accounts allow your organization to make purchases through a single purchasing card and account number.

The transaction becomes an electronic form of a purchase order, reducing manual purchase orders.

The City can use our ghost accounts to combine billings for regularly used suppliers and isolate expenses for cardholders as well as non-cardholders.

Use PaymentNet to view ghost card transactions and create reports that can be downloaded to your general ledger or accounts payables system. The online statement and payment function in PaymentNet allows authorized employees to view statements and balances, as well as make payments electronically.

Our processor (TSYS) requires that a plastic card be issued for ghost accounts. The cardholder can provide the account number to your vendors to keep on file for all future transactions.

Ghost accounts help you:

- Control supplier spending
- Consolidate purchases into a single bill and payment
- Make sure preferred suppliers are used
- Make sure transactions are marked for accounting purposes by utilizing cost centers or department codes

9. In case of emergency, will the City have the ability to request a temporary blanket limit increase for key personnel assigned to an emergency event?

We establish an aggregate line of credit that governs your entire organization. This limit is based on anticipated annual spend and other factors of your program. The limit is set at a level high enough that you should not encounter unwarranted restrictions.

In the event of an emergency, we are dedicated to working with the City to increase limits in an urgent manner to the best of our ability and in accordance with bank policy.

10. What security measures are in place to prevent unauthorized use or fraud for purchasing card transactions? What is the process for reporting and resolving fraudulent or unauthorized transactions on a purchasing card?

Educating your cardholders about proper use of cards is an effective way to promote card usage for legitimate business purchases. We work closely with your organization to develop effective communication and training tools that accommodate your objectives.

In conjunction with ongoing training, we recommend that you develop formal policies and procedures governing your commercial card program. We can assist you in preparing this documentation.

To further assist you with cardholder compliance, we offer a wide range of card controls to help your organization efficiently manage adherence to your internal policies.

Program controls

We offer numerous card controls and key administrative features such as full hierarchy support, real-time adjustments of spend controls online and denial at the point of sale for transactions that do not meet your requirements.

The City's program administrator can establish dollar, transaction, merchant category code (MCC) and cash advance limits at any level of your hierarchy: by individual, department or for the entire organization.

Control options by hierarchy level

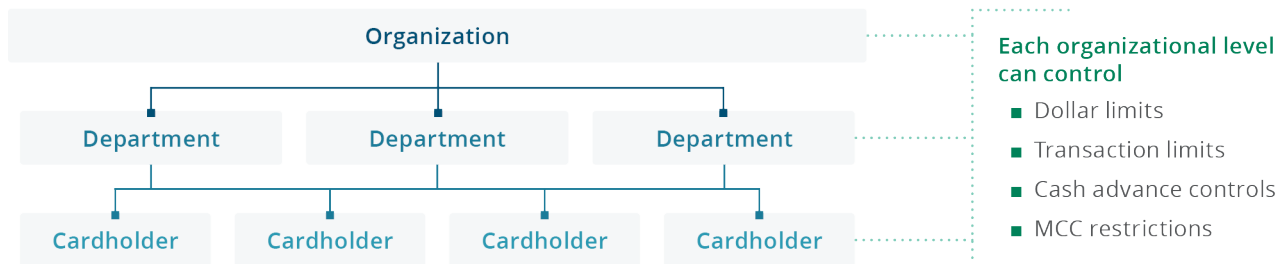


Figure 23

PaymentNet provides a variety of controls for all level of your organizational hierarchy.

Standard controls available for our commercial cards include:

- **Dollar limits:** Dollar limit controls include cycle spend, transaction amount, daily spend amount, monthly spend, and spend limits by MCC
- **Transaction limits:** Limits can be placed on the number of transactions allowed per day and per month
- **MCC restrictions:** Limits can be applied to MCCs with a dollar amount, transaction value or the number of transactions allowed per day
- **Cash advance controls:** You have the ability to control monthly cash advance amounts or totally restrict the ability to use the cash advance options
- **Guidance line:** Suspends your ability to continue to use the card when the total balance reaches its limit

The graphic below shows how you can change a cardholder's account limits.

Adjusting account limits

J.P.MorganPaymentNet®

ContactMy ProfileLog Out

HomeTransactionsReportsAccountsEmployeesPaymentsAdministrationHelp

Account Detail - ControlsUATT002 - ROOTADMIN1

Take me to... ▾

General InformationControlsMCC Group ControlsTemporary ControlsHistory

7 of 30 ⏪ ⏩ ⏴ ⏵

Save

* Required Fields

Cardholder Name

Account Number

Expiration Date10/25

Current Balance\$0.00

Available Credit\$10.00

Open Date10/21/2022

Hierarchy ID *ROOT

StatusClosed

11/21/2022 - S2 Account closed online

Account Properties

MCC Diversion Group

Central Bill Account5567087900120727

Diversion Account

Cost Center

☐ VIP

☐ International

Manage MCC Groups

ID	Group *	Group Action *	Action
1	99 ▾	INCLUDE ▾	<div>DeleteAdd</div>

Save

Account limits

Use the Temporary Controls tab to view or set temporary limits.

Credit Limit *10

Cash Advance Limit (\$2500) *0

Refresh Period☒ Cycle☐ Monthly

Amount Limit \$

Transaction Limit

Daily Amount Limit \$

Daily Transaction Limit

Single Amount Limit \$

Other Amount Limit \$

Other Transaction Limit

Other Number Of Days

Other Refresh Date

(MM/DD/YYYY)

Figure 24

J.P. Morgan enables program administrators to easily change account limits and velocity controls online.

MCC blocking

The merchant category code (MCC) can be used to block merchants and set card limits. The City specifies acceptable and restricted merchant types and set restrictions for individual cardholders, departments or the entire organization.

Leverage up to 180 MCCs per group in as many as nine MCC groups. MCC groups can have a custom name applied for your internal purposes. Available limits include daily number of transactions, daily spend amount and monthly number of transactions. We can also place boundaries by MCC group to determine how much a cardholder can spend at a group of merchants. This MCC group limitation can be restricted by daily number of transactions, transaction amount and monthly spend.

As a best practice, clients usually establish templates of MCC groups that apply to different cardholder profiles. We are happy to assist you in opening or blocking MCC groups as needed.

Virtual card controls

Our virtual cards provide superior control over transactions, as each account is used for a single transaction and is only valid for that specific payment. The following controls can be assigned to each virtual card:

- Single, daily, and/or monthly limits
- Credit limit—to the penny
- Merchant category code (MCC) restrictions
- Number of authorizations
- Start and end date
- Dollar amount or percentage tolerance
- Estimated freight and tax

Benefit from fraud screening 24/7/365

As a result of our screening process, fraud rates for our Commercial Card programs are far lower than the fraud associated with consumer cards, which speaks to the strength of our fraud prevention practices, as well as our relationships with clients in establishing effective card controls.

Our team of experienced fraud prevention analysts use specialized screening tools to constantly monitor transactions for suspicious activity and to aid in detecting fraud and minimizing losses.

The fraud detection systems we use are **flexible** and target both general and specific fraud trends.

The screening process uses several indicators to identify possible fraud. The categories we monitor include unusual purchases such as jewelry or electronics, high-risk MCCs and questionable geographic areas. Cash advances are also monitored for high-risk locations and large dollar amounts. Suspicious transactions are further identified based on details that include the authorization type, merchant type, location of recent fraud trends, account history,

Screening for fraud

Criteria are defined based on analysis of data from current fraud trends:

- Fraud patterns
- Specific or high-risk Merchant Category Codes (MCCs)
- Dollar amounts and cash advances
- Geographic location
- Specific merchants and unusual purchases such as jewelry or electronics

expiration date entered and decline reason. If authorizations meet these pre-defined criteria, the account is sent to a fraud handling queue or blocked for referral.

Upon request, our Fraud team will provide a detailed walkthrough to the City's executives and program administrators explaining how we address fraud in depth. The walkthrough includes collaboration with your program administrators to identify and implement ongoing improvements.

Communication process

When a potentially fraudulent transaction is identified, a fraud analyst will evaluate the account's history and activity. If fraud is still suspected, the analyst will contact the cardholder to confirm card possession, verify the cardholder using security identifiers on file and validate the transaction(s).

As an option, cardholders can enroll to receive **fraud alerts** via text message or email. Fraud alerts notify cardholders when suspicious transactions are identified on their account and allows them to quickly respond to validate transactions.

Depending on the circumstances, we may continue to monitor the account for suspicious charges or suspend it temporarily to minimize potential fraud losses. If we suspect employee misuse of funds, we will contact the City's program administrator directly.



Enroll to receive potential fraud alerts via **SMS text message** or **email**

Under most circumstances, an email is sent to the cardholder at the email address on file and a temporary hold is placed on the card. The hold will remain on the account until an authorized party contacts us to confirm the validity of the transaction. After the first attempt, we will email the cardholder a second time. On the third attempt, we will email the cardholder and program administrator.

Cardholders can sign up for SMS and email through the **fraud alerts** process by visiting ccportal.jpmorgan.com. Once the cardholder is registered for alerts, the cardholder is notified via an alert when we find suspicious activity on their account.

If the cardholder is signed up for SMS alerts and a transaction is identified as suspicious, an SMS alert is sent to the cardholder's registered phone number. If the transaction is valid, the cardholder can respond indicating such and the hold is removed. If the cardholder responds indicating the transaction is fraudulent, the hold remains and the cardholder is required to call Customer Service.

Process for identifying and communicating fraud (if not enrolled in alerts)

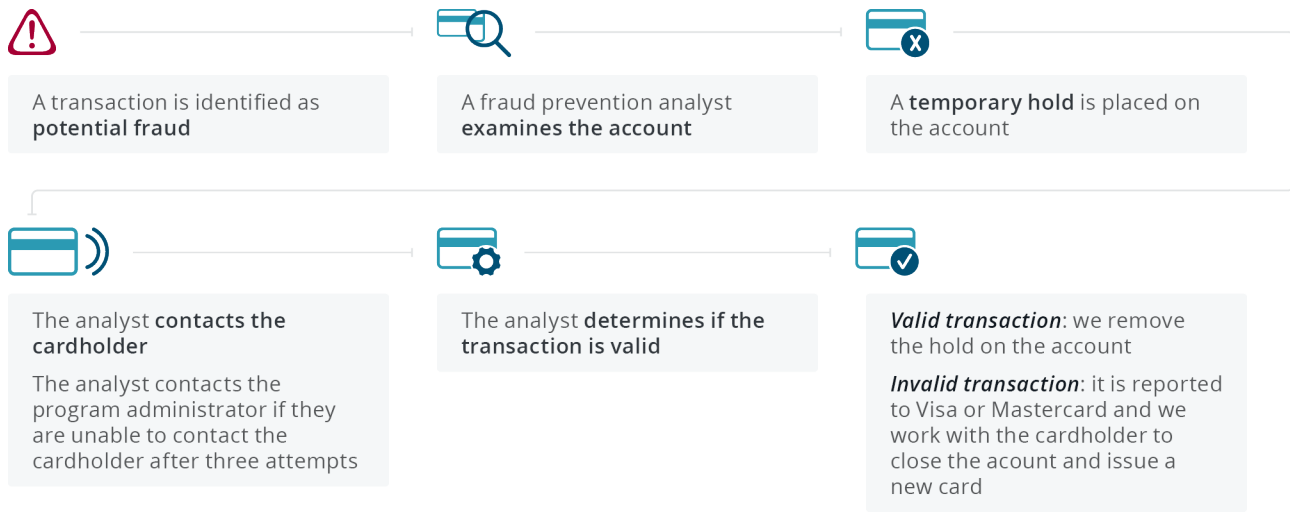


Figure 25

These steps help to mitigate fraud losses.

Additional fraud protection

As a client you also benefit from our third-party fraud waiver and Mastercard's/Visa's liability waiver for employee fraud to complement our fraud screening.

Due to the sensitive nature of fraudulent transactions, we require that fraud be reported by phone to an expert in our Fraud department. Reporting fraud by phone makes sure that all fraudulent transactions are identified as soon as possible. The card is blocked and no further transactions can be processed, immediately stopping fraud attempts.

There are also systematic processes to provide for timeliness of opening and resolving a fraud case, as well as requirements put in place by Mastercard/Visa. In most cases, we can provide a complete resolution in one call, which avoids multiple call-back attempts and saves time on resolving any open issues.

Section P - Technological Controls & Cybersecurity

- 1. Provide a detailed summary of your bank's technological controls including physical access, logical access, change controls, remote access, cyber security training frequency, and defenses against any form of cyber-attack.**

The firm is committed to protecting the Firm's employees, visitors, buildings, information, assets, and reputation. The Firm's Global Security (GS) organization sets out a framework for keeping safe the people, technology and facilities of the Firm. GS integrates an array of technologies and people with processes to form a depth and layered approach to security, which monitors, records and deters potential malicious activity.

Physical security controls include but are not limited to the following:

- Integral to delivering this requirement are three Global Security Operations Centers (GSOC) in New York, London and Singapore, that operate 24/7 and act as communication and situational awareness hubs for the Firm's Crisis Management structure.
- An access card is issued to every employee, and access to individual areas is checked and restricted by the user's entitlements.
- The Firm has a visitor management policy that requires all visitors to be registered and escorted whilst on premises, which is enforced by Front of House teams. Some vendors may be allowed access and an access card upon successful completion of screening/vetting in line with the Firm's contingent worker process.
- Protecting the Firm's sensitive physical areas, such as, Technical and Engineering Rooms, Data Centers & Commodity Locations with an enhanced layered security model.
- Protecting the Firm's data from theft, fraud, corruption, or natural disaster.
- Protecting the Firm's staff whilst travelling (Executive Protection, Event Security for employees, clients, and guests).

Each of the Firm's facilities has security systems installed (as per GS standards and procedures) and 24/7 personnel monitoring alarms to manage access control and visual surveillance. All data is retained in accordance with the Firm's data retention policy, which is aligned with local legislation and requirements.

Guarding Physical Assets (24/7 Site Security Teams) – A combination of full time employees and vendor guard force manages security operation and alarm responses, and detect and resolve on site incidents through a layered security model. A full phased training program is in place for all associated staff, and regular testing, including penetration tests, take place on a consistent basis.

All production computing environments are required by our policy to maintain adequate physical and environmental controls. Physical control requirements include physical locking mechanisms at all external and internal access points to computing facilities, and controls governing how authorized visitors are permitted physical access to these facilities. Visitors must be issued identification badges, accompanied by authorized personnel while on the premises of the computing environments and their arrivals and departures must be recorded. A process is in place to periodically recertify that physical access remains commensurate with job responsibilities, or to periodically revoke all users requiring re-approval of their access. Environmental control requirements include the presence and periodic testing of backup sources of electrical power and switchover mechanisms to allow use of these sources in the event of the failure of municipal power facilities. Environmental control requirements also include the presence of fire suppression systems, temperature and humidity control systems, and automated monitoring of smoke, temperature and humidity conditions within the computing environments.

Please also refer to Appendix 7 for our Cybersecurity Client Letter and Appendix 6 for our Business Resiliency Client Letter.

2. Are there specific cybersecurity policies and practices that your bank implements to meet government and public sector standards?

Yes. The Firm's Cybersecurity & Technology Controls (CTC) organization is embedded in a governance structure designed to identify, escalate, and mitigate information security risks. CTC legal and regulatory functions together with the firmwide Legal and Regulatory organizations to ensure that legal and regulatory requirements are understood, managed, and observed.

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Section Q - City Disaster Preparedness Program

The City requires assurance of the ability to provide financial services in the event of a major emergency and during the disaster recovery period.

1. Please describe any processes in place to assist the City in the event of a natural disaster.

Recovering from, or even avoiding a service disruption, whether a component failure or a full-scale disaster, depends on a comprehensive and effective contingency and business resiliency planning process combined with experienced people to execute the plan. Our business resiliency plans address all aspects of the business—including employees, facilities, systems, telecommunications, and third parties. Our business resiliency plans are living documents that we update on an ongoing basis to incorporate lessons learned. They are also tested regularly to validate the effectiveness and completeness of the plans.

The preparation

We understand how critical it is to have a business resiliency program in place. When the news hits about potential disaster situations, such as a hurricane, our business resiliency planning program has already activated.

We do extensive planning to be ready for situations where our clients may lose critical infrastructure and resources necessary to transact business, including payroll and deposits, through typical channels.

Our preparation involves information gathering about our clients in the impacted region. This allows us to provide clients with alternative options for issuing checks, submitting payroll and other file transmissions before a hurricane or other disaster event strikes the region. An overview of our Business Resiliency Program is included in Appendix 6. Additional considerations are listed in the below section for helping you plan your organization's business resiliency program.

Planning for disasters

The importance of preparation

Our global footprint provides built-in redundancy for many core processing, operations and service delivery functions.

We have strategically located data centers and operation centers throughout the world. This geographic distribution helps to reduce the impact of a local disruption on our business.

Considerations when creating your business resiliency program

We also recommend **best practices** for our clients' internal business resiliency planning efforts, such as the following:

- Ensure your mobile information is updated with us, so we can contact you in the event that you are unable to reach your offices.
- Plan for having sufficient cash on hand to be ready when your business reopens.
- Ensure any services that are part of your business resiliency planning program are setup in advance. For example:
 - Use J.P. Morgan Access to upload files if you are unable to send in a direct transmission.
 - Use J.P. Morgan Access to manually enter transactions.
 - Submit same-day ACH files to originate transactions less than \$1,000,000. Update "opt out" status, if applicable.
 - Consider deadlines for check print outsourcing as part of your business resiliency planning.
 - Next-day mail – 5:00 p.m. PT
 - Same-day mail – 5:30 a.m. PT
 - Coin and currency
 - When using vault, confirm armored courier contact information is up-to-date with your courier.
 - When using night drop, consider alternative locations in case the primary location is not available.
 - Commercial card clients may want to consider contacting your commercial card relationship manager or program manager for assistance with increasing limits, expanding merchant category code groups or verifying account status.

We're here to help!

The importance of preparation

In the event of a disaster, we strive to maintain service at the levels established during normal operations. We will work hard to keep our clients informed throughout the entire event.

How we helped

We understand the need to have a bank that helps clients navigate both living and working through an actual disaster and the aftermath. We have employees on the ground for these natural disasters, just like our clients, so we understand how our collective businesses and people are impacted by a disaster. We work hard to be there for you and our own people. Understanding our clients and their businesses is key. We were here for our clients when they needed us most. The following examples illustrate how we help our clients during these events:

- After a natural disaster, we immediately begins its recovery efforts, including prioritizing cash shipments to branches with the greatest needs, and refunding or waiving certain fees to eligible customers in the affected areas.
- Relationship managers worked with clients to quickly determine cash flow concerns.
- Our client services associate's (CSA) knowledge and understanding of their clients helps them identify the need for action. The constant outreach by our CSAs, coupled with their understanding of our clients' needs is an invaluable asset for J.P. Morgan that provides many benefits for our clients.
- Our product teams evaluate the storm and take action to determine how the storm may affect our clients. This prompted a relationship manager and client service manager to reach out to a client to determine their immediate needs. One client's large geographically disbursed retail presence had them making fast decisions and quick changes. The client was extremely appreciative of our efforts and stressed that of all of their banks, J.P. Morgan was the most effective with communication. We provided daily reports about open branches, allowing this client to make informed decisions about how to make deposits, while battling the floods and effects of the storm.
- Our employees receive emergency housing or other assistance from us after a natural disaster has happened. While the business is focused on taking care of its employees, the bank prepares to help communities across the country—even before a natural disaster has happened. That includes making sure ATMs and branches have enough funds and are up and running so customers can have access to their money when they need it.

How we helped!

- Communication
- Understanding time-sensitivity
- Understanding client needs
- Looking out for fraud
- Escalating issues and change requests

Strengthening resiliency during times of uncertainty

Business resiliency planning is key to managing through disruption and J.P. Morgan's suite of tools can help. The J.P. Morgan Corporate Treasury Consulting team created a suite of resiliency tools to help you prepare for crisis.

Our suite of tools can help with business resiliency planning



DIAGNOSE YOUR TREASURY RESILIENCY

An Excel-based diagnostic tool to assess resiliency across seven categories and identify any critical areas of opportunity



BUILD RESILIENT SYSTEMS

A best-practice guide to strengthen technology and system resiliency before, during and after a disruptive event



RESILIENCY WHITEBOARDING

Facilitate whiteboard sessions with key stakeholders to provide ongoing assessment of your treasury operations, explore goals and offer solutions



LEVERAGE BANKING SOLUTIONS

Role-based guidelines for Treasury, Accounts Payable and Accounts Receivable that are focused on leveraging banking solutions to strengthen resiliency

Figure 26

2. If City services are interrupted, would the bank be able to redeposit the last ACH payroll file?

Yes. We offer a customized delayed redeposit process for ACH.

3. In case of emergency, does the City have the capability to issue manual checks?

Yes, we offer check print services. The City submits check print instruction files through a file upload or manual entry of check data via our online portal.

4. How is the manual check information sent to the bank for inclusion in Positive Pay?

The City's positive pay files can be manually keyed into J.P. Morgan Access.

5. Please describe in detail the bank's compliance with state and federal regulations pertaining to this area.

The Firm has a Firmwide resiliency policy that meets or exceeds relevant professional standards (e.g., ISO 22301, 22313 & 22317) and industry best practice. The policy is based on a variety of regulatory requirements that exist across various countries.

The Firmwide policy and standards set forth a logical and detailed structure of guidance for identifying business resiliency risks and establishing appropriate controls to enable the recovery and resumption of the firm's business operations should they become disrupted.

Resiliency activities of J.P. Morgan must comply with and are governed by several agencies that have laws, rules, and regulations. Within the firm's policy, requirements have been defined for each critical business process to provide essential business and technology service levels to comply with resiliency requirements of the US Office of the Comptroller of the Currency, the US Federal Financial Institutions Examination Council (FFIEC), the Interagency White Paper on Sound Practices to Strengthen the Resilience of the US Financial System and other national regulatory authorities (UK Financial Conduct Authority, UK Prudential Regulation Authority, The Monetary Authority of Singapore, European Central Bank) within the different geographic regions in which we operate.

6. Please describe the testing of core service applications and systems that assure information backup, anti-intrusion, and other privacy requirements.

The Firm has a dedicated Technology Resiliency Program that establishes critical services, capabilities, controls, and procedures designed to promote continuity and recovery of operations in the event of a disruption.

Traditional Data Recovery: Requires applications to fail out of their primary data center, operate from the alternate data center, and return to the primary data center on the same weekend.

Enhanced: Requires applications to exit over a two-week period and operate from an alternate data center for a minimum of five business days. Demonstrates there is sufficient capacity to sustain the displaced load .

Common Invocation Plan (CIP): Exercises most recovery capabilities needed for a true loss-of-site disaster. Critical and dependent applications are failed out on the same weekend but sustain production workload for at least five business days.

The Firm employs a comprehensive testing approach to regularly validate the effectiveness of the resiliency program under different impact scenarios:

- Tests include simulation exercises and physical tests of recovery strategies;
- Test results are communicated to the Firm's senior management across business and technology functions, as appropriate; and
- The Firm regularly participates in market-wide and industry sponsored exercises.

7. Please describe the operational driver and geographic dispersal of service centers.

Our North American data center locations:

- J.P. Morgan's North American data centers are located in the Mid-Atlantic, Northeastern and Rocky Mountain geographic regions of the United States.
- J.P. Morgan data centers are located in separate zones from the production location they support.
- Due to confidentiality purposes, we do not release specific details on the location of primary or backup data centers and/or processing sites.
- Additional details on our data center locations cannot be disclosed.

Information on where our data resides:

- Due to confidentiality purposes, the exact location of where particular client data resides cannot be disclosed.
- We generally reserve the right to store, access, view or process data where it deems appropriate, subject to applicable law and contractual agreements
- We have Global Service Centers that process client data. These centers support customers, clients and business segments and back office processing outside of the continental U.S.
- As a global firm we operate several data centers simultaneously for business resiliency purposes and in limited circumstances, we may not keep all data exclusively within the U.S.
- Processing takes place within our proprietary network on protected platforms.
- Data is subject to our internal policies, including risk and control policies, data retention policies, privacy policies and applicable law

Data Center Modernization

We have 32 data centers globally, and recently invested approximately \$2 billion to build four new, modern, private cloud-based, highly reliable and efficient data centers in the United States. To date, about 50% of our

applications run a large part of their processing in the public or private cloud. Approximately 70% of our data is now running in the public or private cloud. By the end of 2024, we aim to have 70% of applications and 75% of data moved to the public or private cloud. The new data centers are around 30% more efficient than our existing legacy data centers. Going to the public cloud can provide 30% additional efficiency if done correctly (efficiency improves when your data and applications have been modified, or “refactored,” to enable new cloud services). We have been constantly updating most of our global data centers, and by the end of this year, we can start closing some that are larger, older and less efficient.

8. Can you provide an overview of your bank’s disaster preparedness program and business continuity planning?

The firm maintains a world class telecommunications network infrastructure across our global operating facilities and data centers designed to maintain communications in the event of a disaster. Our network is designed with resiliency as a key criterion such that there is site, component, telecom carrier and path diversity to ensure no single event can affect our ability to continue to transact business.

Refer to Appendix 6 for our Business Resiliency Client Letter.

9. What types of disasters or emergencies are covered in your disaster preparedness plan (e.g., natural disasters, cyberattacks, power outages)?

Please refer to Appendix 7 for our Cybersecurity Client Letter and Appendix 6 for our Business Resiliency Client Letter.

Section R - Implementation Plan

1. **Describe the overall plan your financial institution would implement to ensure a smooth transition from our current banking partner.**

We assign your onboarding specialist, Briana Burtley, to serve as your primary point of contact throughout the process. Your onboarding specialist, who has end-to-end ownership and accountability of the implementation, is responsible for communicating regularly with you and coordinates all activities across the bank. They hold regular, often weekly, meetings to share information and measure progress.

Your onboarding specialist works with you to validate your solutions, establish timelines for implementation and then coordinates with the necessary teams across your organization and ours to complete the setup.

We view the implementation process as a pivotal phase in our relationship and an opportunity to demonstrate the value of our expertise and consultative capabilities.

The onboarding specialist is responsible for:

- Forwarding new account and product documentation, file specifications, start-up packet(s) and procedure manuals to the City.
- Contacting your designated representative(s) to complete all required documentation and determine specific product instructions.
- Reviewing and completing product questionnaires with you, as appropriate.
- Opening required accounts.
- Ordering depository supplies.
- Coordinating with our operations group to make sure products are set up to your specifications.
- Coordinating file and transmission testing with the technical implementation specialist for both teams, which includes:
 - Transmission options review and setup
 - File testing
 - File security
 - Providing test and reports
 - Examining all reports and elements of file testing and processing
 - Updating all parties on progress

- Confirming delivery of personal identification numbers (PINS) and instruction guides.
- Providing required training or other assistance, as needed.
- Monitoring initial depository activity and confirming depository products are working as expected.
- Organizing a post-implementation meeting to review your first account analysis statement
- Coordinating the hand-off to your dedicated CSA for ongoing servicing.

We follow an established project flow and framework when executing the setup of products and services. A sample implementation plan is included in Appendix 8.

Proven project management approach for adding new services

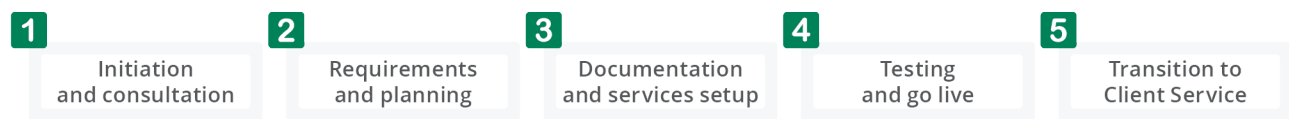


Figure 27

We confirm terms of the proposed process with you. Upon accepting the proposed process:

- Your sales team shares the terms of the proposed process with our Implementation team
- Your sales and Implementation teams discuss the proposed process, exceptions, your goals and special conditions
- Your implementation team schedules a kickoff call, reviews the project plan, identifies needed documentation and establishes a meeting schedule
- You return the required core DDA documents and product-specific documents to Implementation
- Our implementation team works to complete your request and verifies our systems reflect your correct information
- Your CSA is notified of product setup completions
- We coordinate and schedule training requirements with your designated contact(s)
- We provide training, including product manuals and sample completed order forms, at no cost
- We monitor your account for a period of time (to be determined) to verify proper setup, availability, exceptions, etc.
- Your onboarding specialist confirms with you that products are working properly and sets up a meeting to review your first analysis statement
- Your account officially transitions to your designated CSA for ongoing servicing.

Our proven approach to provide a smooth implementation of your new commercial card program

When you select us as your commercial card provider, we review common issues and best practices during the assessment phase of your program implementation to identify what is working well, what needs to be improved and what benefits you will enjoy from a more optimized program.

Trust a methodology based on 30 years of experience implementing commercial card programs.

We leverage our proven methodology to deliver the City a comprehensive yet streamlined implementation that serves as a strong foundation for your new commercial card program.

Proven project management approach to deliver for your business

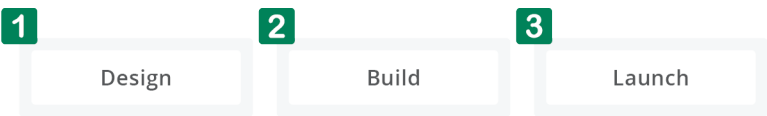


Figure 28

You will be assigned a dedicated product implementation specialist who has extensive experience in the commercial card industry. Your product implementation specialist serves as your primary point of contact throughout your implementation. They will manage the implementation process and resources, as well as provide consultation on best practices and process improvement suggestions.

Additionally, a highly trained commercial card support team experienced in implementing programs similar to yours, will assist your assigned product implementation specialist. The support team consists of designated card relationship managers, training officers and technical consultants (who provide expert technical software support). Weekly updates serve to maintain key communication throughout the implementation process.

Each member of your implementation team has well-defined support responsibilities as discussed below.

Rely on your product implementation specialist as your primary point of contact	
<ul style="list-style-type: none">Oversees all implementation meetings, task lists and communicationsConfirms that project goals are metDevelops and maintains the project dashboards/assessmentsConsults on the design of your card programConsults with your organization on cardholder controls, such as spend limits and MCC allowancesDetermines card issuance requirements	<ul style="list-style-type: none">Sets up cardholder files and coordinates cardholder settingsVerifies data integrity and quality for processor configurationManages hierarchy setup discussions and accounting code configurationObtains mapper interface requirements for reconciliationWorks with you to determine go-live time frameCoordinates training requirements and delivery

Get the technical support you need from your technical consultant

- | | |
|---|---|
| <ul style="list-style-type: none">• Serves as a point of contact for your technical staff• Assists with data mapping, file transfer and connectivity | <ul style="list-style-type: none">• Offers best practices for data solutions• Consults on standard and custom technology tools |
|---|---|

As a **best practice**, the same product implementation specialist is assigned for the duration of your implementation. A back-up product implementation specialist may be engaged should your product implementation specialist become unavailable (e.g., vacation, medical leave, etc.). Primary working hours are 6:30 a.m. to 3:00 p.m. PT, Monday through Friday. We work with you to adopt a mutually agreeable time frame, as needed.

2. Describe the on-site training to the City's staff for the operation and use of the financial institution's services and automated systems for areas of service.

We are dedicated to providing training that fits the City's needs. Should on-site training be required to supplement online provisions, your Relationship Manager and Treasury Management Officer can be available to travel to the City and support the Bank's training curriculum on-site as needed.

We offer onsite initial program administrator training for our Procurement card services. Training is tailored during implementation and delivered after the program is live, and focuses on platform features, best practices and system usage.

3. What is the overall timeline for implementing the banking services, from contract signing to full operation? Please include a timeline and Milestones chart. The City will likely implement various components in a phased-in approach (e.g. 1. Banking services, 2. Procurement card, 3. Virtual AP Payments). Banking is our main priority, while procurement cards and virtual payments can be implemented later in calendar year 2026.

The table below provides the average implementation time for setup of the requested services. Time is measured from receipt of completed documentation.

Treasury services are listed below:

Implementation time averages, resources and critical success factors

Service	Expected lead time (1)	Resources	Critical factors
Account opening (2)	2 days	<ul style="list-style-type: none"> Bank onboarding specialist City cash manager 	<ul style="list-style-type: none"> Confirm setup requirements Receipt of signed documentation Due to the U.S. PATRIOT Act and "Customer Identification Program" regulations, we must receive all required documentation, properly and fully completed, before we open an account Information pursuant to the BSA that requires us to collect and validate the personal identification information of beneficial owners and at least one controller
Depository services	4-10 days	<ul style="list-style-type: none"> Bank onboarding specialist City cash manager 	<ul style="list-style-type: none"> Deposit tickets Endorsement stamps Tamper-resistant plastic depository bags Deposit ticket MICR specification sheets are available electronically; your onboarding specialist will provide these upon request
ACH Debit Block Check returns End-of-day sweep	1-5 days	<ul style="list-style-type: none"> Bank onboarding specialist City cash manager 	<ul style="list-style-type: none"> Confirm setup requirements Receipt of signed documentation
J.P. Morgan Access	2-4 weeks	<ul style="list-style-type: none"> Bank onboarding specialist Bank training team City security administrators City end users City IT City's banks 	<ul style="list-style-type: none"> Confirm setup requirements Receipt of Security Administration Designation Form Security administrator and end-user ID activation User and entitlement setup Security administrator and product training Create ACH/wire files and test upload process, if applicable Non-banks begin reporting
Cash vault	2-3 weeks (new). Changes to existing cash vault are much quicker	<ul style="list-style-type: none"> Bank onboarding specialist City cash manager 	<ul style="list-style-type: none"> Confirm setup requirements Order supplies for deposits IVR instructions for ordering cash

Implementation time averages, resources and critical success factors

Service	Expected lead time (1)	Resources	Critical factors
Controlled disbursement Positive pay with payee name	2-4 weeks 4-6 weeks (with transmissions)	<ul style="list-style-type: none"> Bank onboarding specialist Bank training team City A/P team City security administrators City end users 	<ul style="list-style-type: none"> Confirm setup requirements MICR and payee name testing Create positive pay file and test upload process User and entitlement setup End user ID activation Product training Activate positive pay
Remote Deposit Capture	Without lockbox 2-3 weeks With lockbox 3-4 weeks	<ul style="list-style-type: none"> Bank onboarding specialist Bank training team City A/R team City end users 	<ul style="list-style-type: none"> Confirm setup requirements Order scanner Scanner installation Product training
ACH direct send File transmission connectivity for prior and/or current-day BAI2 transmission Positive pay transmission Reconciliation	4-6 weeks	<ul style="list-style-type: none"> Bank onboarding specialist Bank technical IPM Bank connectivity City IT City connectivity 	<ul style="list-style-type: none"> Confirm setup requirements User acceptance testing setup Successful file and connectivity testing User acceptance testing sign-off Partner key exchange Successful production verification test
File Transmission Payments (3) ACH Wires Check print	8-10 weeks (standard file format) 12-16 weeks (custom file format)	<ul style="list-style-type: none"> Bank onboarding specialist Bank host-to-host project manager Bank host-to-host release manager Bank technical IPM Bank connectivity analyst City A/P manager City IT City connectivity 	<ul style="list-style-type: none"> Confirm payment types, file format and connectivity Confirm setup requirements Receive check print logo and signatures Review/approve statement of work Conduct technical/mapping discussion User acceptance testing setup and programming Successful file and connectivity testing User acceptance testing signoff Partner key exchange Successful production verification test

(1) The expected lead times are estimates for standard product setups. Actual lead-time varies according to complexity of business requirements. Complex and/or large implementations may take longer than described above.

(2) Original paperwork must be received before setup may begin

(3) The standard file format represents the formats that are implemented without development on the bank side (i.e., ISO20022, ANSI and Global Flat File). The custom file format represents the formats that we support but require development by us.

Your onboarding specialist follows a structured project framework to execute the setup of products and services that have five key phases:

- **Phase 1:** Initiation and consultation
- **Phase 2:** Requirements and planning
- **Phase 3:** Documentation and services setup
- **Phase 4:** Testing and live implementation
- **Phase 5:** Transition to Client Service

Actual timelines and resources are outlined once the scope of work has been completed and approved. Your assigned onboarding specialist provides you with a project plan that is specific to each service being implemented. The plan also identifies responsibility for each step of the implementation process.

The implementation lead time is defined within the sample project plan. The start of the services setup is dependent on the City's availability to confirm the setup details and provide signed documentation.

Procurement card

The following is a high-level example of our implementation timeline:

ACTION	TIMEFRAME	COMMENTS
Verbal agreement received		
Credit approval	Prior to contract issuance	Banker determines credit extension
Assignment of implementation specialist	Within 2 business days of notification	Implementation specialist performs introductory call, if required, with client to begin the implementation process
Implementation process		
Implementation call and implementation presentation	Scheduled at client's convenience	1 or 2 calls (depending on client requirements and program complexity) that follow a structured format and checklist
Receipt and execution of contract	Within 10 business days after credit approval	Contract emailed from J.P. Morgan; should be returned within 5 days to implement as quickly as possible
Completion of forms (program administrator, company record, auto debit [if applicable], cardholder account)	Within 5 business days of presentation	All forms completed and authorized by client and sent to implementation specialist, who is available to answer questions throughout the process

ACTION	TIMEFRAME	COMMENTS
Verbal agreement received		
Credit approval	Prior to contract issuance	Banker determines credit extension
Assignment of implementation specialist	Within 2 business days of notification	Implementation specialist performs introductory call, if required, with client to begin the implementation process
Implementation process		
Receipt of cards	7-10 days from receipt of paper enrollment form or spreadsheet listing cardholders	Cards are processed after all forms are completed and authorized
Card usage begins		
Online PaymentNet reporting tool available	1-3 business days for access Training is typically completed within 10-20 business days	Contact to schedule client training within 5 business days. Training is scheduled and conducted by a PaymentNet trainer

Please be aware that, before we can begin, we will need a signed contract in place. Also be aware that we require various forms to be completed at different points during the implementation process. Such forms might include completed authorized signer and company record forms as well as cardholder account forms or a cardholder enrollment file (spreadsheet). We also require that two to three years of audited financial statements be reviewed by a J.P. Morgan banker to support the establishment of a line of credit for your program.

Your implementation specialist will work with the appropriate the City managers to determine your program objectives and structure your program to achieve those results for your organization. We can help optimize your program and identify expansion opportunities. In addition, your implementation team will collaborate with you to configure your hierarchy structure and the reports, formats, and reporting methods suited to your organization.

Once the program build is complete and cards are delivered, your product implementation specialist will transition you to our service team.

Implementation for virtual card programs

Our virtual card implementation process is focused on integrating our solution with your existing financial systems and your current purchasing and payment processes.

Once you have an approved purchase or payment, your system simply requests a virtual card to append to that approved document. This allows users to continue employing your current systems for all procurement and reporting activities, without the need to access a separate J.P. Morgan system.

The timeline to implement a virtual card program is generally 75 days and our approach is easy.

Three-phased, easy implementation approach for virtual card

1	Design <ul style="list-style-type: none"> You engage with your experienced J.P. Morgan product implementation specialist You provide insights into your organization, your culture, program objectives and processes Our product implementation specialist recommends program solutions to meet your needs efficiently and expeditiously
2	Build <ul style="list-style-type: none"> We finalize program elements together so the solution meets your expectations We assist your Technology team with file development and integration with your financial system
3	Launch <ul style="list-style-type: none"> Your product implementation specialist confirms your program is successfully integrated into your organization Next, your product implementation specialist provides the tools and resources for successful supplier recruitment and onboarding As you continue to work with your vendors, you can confidently manage your program

The following is a high-level project plan for the critical activities and milestones for the proposed solution.

Project Plan

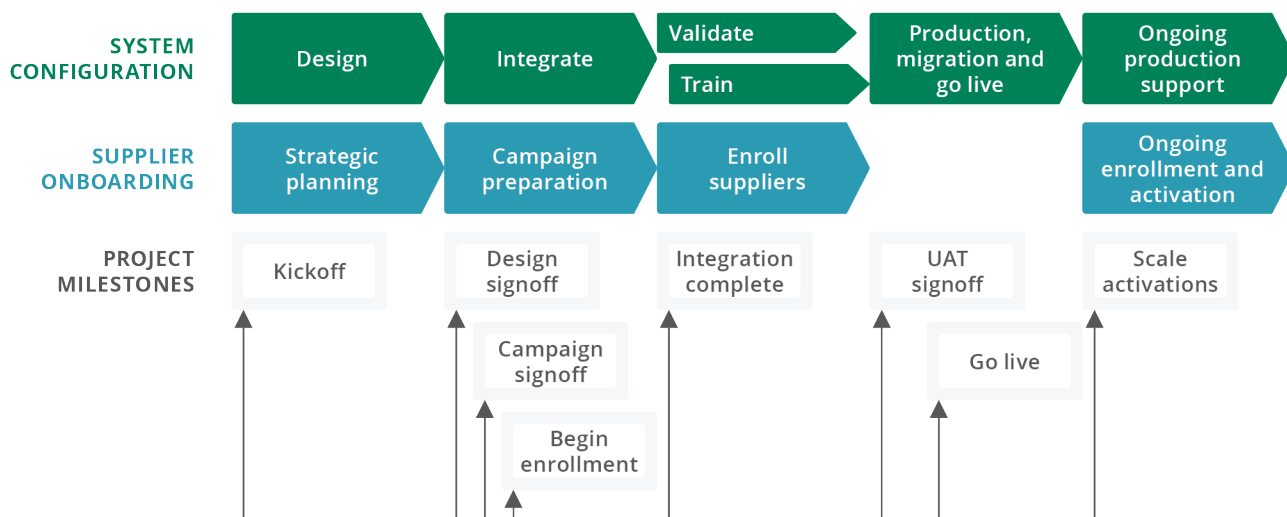


Figure 29

Please note that the campaign management and supplier recruitment process runs concurrently with implementation. It typically takes approximately 12 weeks to complete (including preparation and campaign time), but may be shorter or longer based on your number of suppliers to contact and on your level of engagement.

Throughout the course of implementation, product implementation specialist and other service team members conduct regular project status and progress review updates including:

- Weekly implementation status calls with the J.P. Morgan implementation team to review overall status and cover key action items and outstanding issues for both technical and business teams
- Weekly recruitment reports to summarize and detail progress of the J.P. Morgan supplier recruitment campaign

4. Can you provide examples of similar governmental implementations you have successfully completed? Please include the city name and contact information.

Please see our references and contact information in Section B – Bank Services to Public Sector, References.

5. Will a dedicated implementation manager or team be assigned to oversee the transition and ensure deadlines are met?

Yes. Your onboarding specialist will serve as your primary point of contact throughout the process. They will have end-to-end ownership and accountability of the implementation, will be responsible for communicating regularly with you and coordinating all activities across the bank.

6. Describe the conversion allowance the bank will provide for the City. Please state a specific dollar amount and identify the supplies, products, and/or services included.

The transition credit is \$6,000 and can be used over the first 9 months of the contract. It can be applied to the purchase of remote deposit scanners, deposit supplies, and general banking services.

7. Please detail all costs and the party responsible (bank or City) associated with the conversion of all new services and equipment.

We have waived the \$1,000 implementation cost; all other costs are outlined in our proforma.

Section S - Service Enhancements

The City values improving, streamlining, and enhancing current processes and services. Based on the information provided in this RFP and your knowledge of the public sector, please describe any services or technological enhancements not previously mentioned that should be considered for further improving effectiveness of the City's treasury management operations and fraud prevention programs.

Our particular expertise lies in adapting and aligning our vast breadth of solutions to the specific operating requirements and environments of our clients.

We accomplish this by **listening** to our clients and **developing an understanding** of their operating environments. We then construct a solution that not only meets our clients' existing operational needs, but also challenges them to consider additional operational improvements.

It is our intent to **bring this same approach** to the City as we endeavor to strengthen and grow our relationship.

The services below are proposed to augment and complement the requirements included in the RFP. Each of these services is incremental to the solutions presented in the body of our response. Pricing for these services will be provided upon request. Some of these services may be familiar from our past discussions in 2024.

- Account Validation Service (AVS)
- J.P. Morgan Entity Validation Services (EVS)
- J.P. Morgan Concourse™
- ACH eLockbox
- Paymentus® J.P. Morgan relationship

Account Validation Service (AVS)

As reliance on electronic payments continues to grow, so does the need to validate and authenticate payment data. Our industry-leading Account Validation Service (AVS) allows you to originate payments with confidence, combatting fraudsters and reducing risk.

AVS is a routing engine and service offering for validating counterparty payee information using the bank's Early Warning® databases. Using data provided by you, the service verifies the status and/or ownership of a U.S. demand deposit account (DDA).

AVS offers:

- **Account Verification:** Uses bank routing and account number to provide real-time account status for consumer and business accounts
- **Owner Authentication:** Confirms customer and business identities and enables clients to confirm account owner or authorized user

AVS for the U.S. government

In 2023, the **United States Treasury Department selected J.P. Morgan to provide Account Validation Services** to federal government agencies after a competitive selection process. Using our advanced technology, we will verify critical payment information for the U.S. government before payments are issued.

Account Verification and Owner Authentication are not required to be done together.

Additionally, Account Validation Services:

- Enables proactive validation of accounts and does not rely upon a single data provider
- Offers a waterfall approach, which allows querying across multiple data providers, expanding reach
- Queries J.P. Morgan proprietary data—both credit and debit ACH transactions
- Offers a complete solution set to meet your account validation requirements and to satisfy compliance requirements with the Nacha WEB Debit rule

Act to combat fraudsters and reduce risk with J.P. Morgan Account Validation Services

- 1 INCREASED PAYMENT CONFIDENCE**
Validate accounts in real time across multiple data providers to decrease the likelihood of returned or erroneous payments
- 2 ENHANCED FRAUD RISK PROTECTION**
Review potentially high-risk changes to payment instructions received via non-secured channels (like email or fax)
- 3 ALIGNMENT WITH NACHA RULES**
Align with Nacha's Web Debit Rule that requires use of a commercially-reasonable validation solution
- 4 STRENGTHENED CONTROLS**
Receive information to strengthen internal controls and provides time to take preventative action on high-risk accounts

Figure 30

Our solution allows for integration through multiple interface options, including API, file transmission or through manual single- or batch-level entry of inquiries into our J.P. Morgan Access online portal. Although we see that most clients only implement and leverage a single connectivity method, all three connectivity options can be used alone or in conjunction with each other and will leverage a range of data elements for the following attributes:

- Verify ABA and account number
- Verify account open or closed status
- Verify historical risk on accounts

Our AVS solution was built specifically to allow us to offer validation services to our client base without being tied to a single data or service provider. AVS optimizes the flow of information and real-time validation by leveraging multiple data sources, including proprietary J.P. Morgan ACH and account data, Early Warning and additional third-party fintech services and micro deposits to increase validation rates.

How J.P. Morgan Account Validation Services works

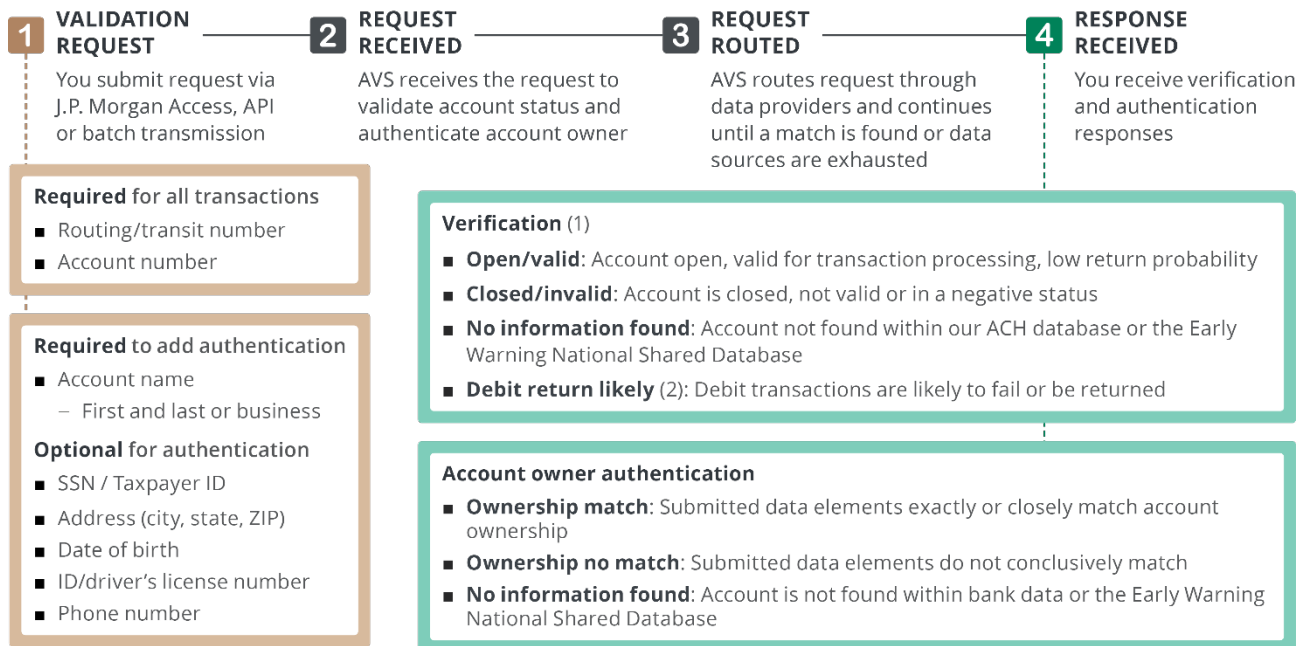


Figure 31

- (1) AVS with EWS databases meets the Nacha Rule Requirement
- (2) Option available based on clients' needs

J.P. Morgan Entity Validation Services (EVS)

J.P. Morgan Entity Validation Services (EVS) delivers a convenient and secure method to help verify individual identity or business entity information in connection with your payments initiated through J.P. Morgan to help prevent fraud and manage risk. Product availability, features and functionality are subject to change.

Consider the following uses for EVS as you think of fortifying your business processes

New account or relationship

- Verify new account identity
- Verify business partner identity
- Verify suppliers and vendors
- Verify users are legitimate

Payment platform

- Validate as much or as little information as required at onboarding
- Create workflows that help ensure correct profile setup
- Onboard bill payors with confidence

Change to profile details

- Combat identity/account takeover
- Review payee change requests
- Mitigate risk of funds redirection

Marketplace solutions

- Verify seller information during profile setup
- Implement validation into onboarding workflow
- Use document validation for additional security
- Screen global sellers as you grow

Figure 32

EVS provides two key verification functions

Identity Verification automates the verification of your individual client's or counterparty's personal identity data such as name, date of birth, address and government issued ID number(s) against internal and third-party sources prior to onboarding and initiating payments.

Business Verification automates the verification of a business entity's data such as a business' name, registered principal business address and government issued ID number(s). Also, you can expect verification of submitted related parties such as Underlying Beneficial Owners of the business and authorized signers.

EVS is currently in pilot and is expected to be generally available at the end of first quarter 2025. Please note product availability, features and functionality are subject to change.

How EVS works

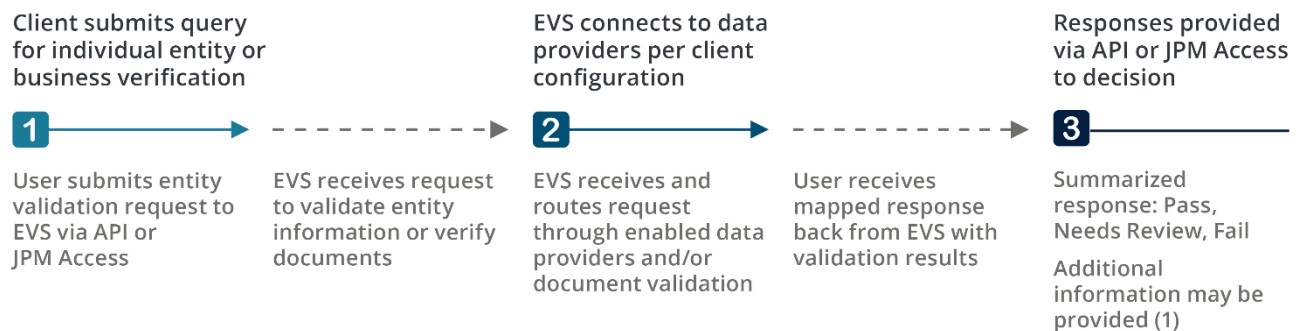


Figure 33

(1) May include underlying variance details, third party summary score, third party reason indicators

Help your business operate more smoothly—and securely

EVS offers many advantages to help your business:

- **Mitigates the risk of fraud:** Verify identity of those that you do business with—in real time—to onboard counterparties onto payments platform
- **Detect potential fraud:** Review information from payee change requests before updating details, mitigating risk of redirection of funds to unauthorized recipients
- **Increase operational efficiency:** Custom response mapping to support client decisioning based on internal payment risk tolerance, reducing operating costs of manual reviews
- **Accelerate expansion of marketplace solutions:** Validate counterparties for successful onboarding to your platform and be ready to sell and receive payments
- **Enhanced security:** EVS uses J.P. Morgans global network of trusted data sources and does not retain personally identifiable information

Make EVS work for you

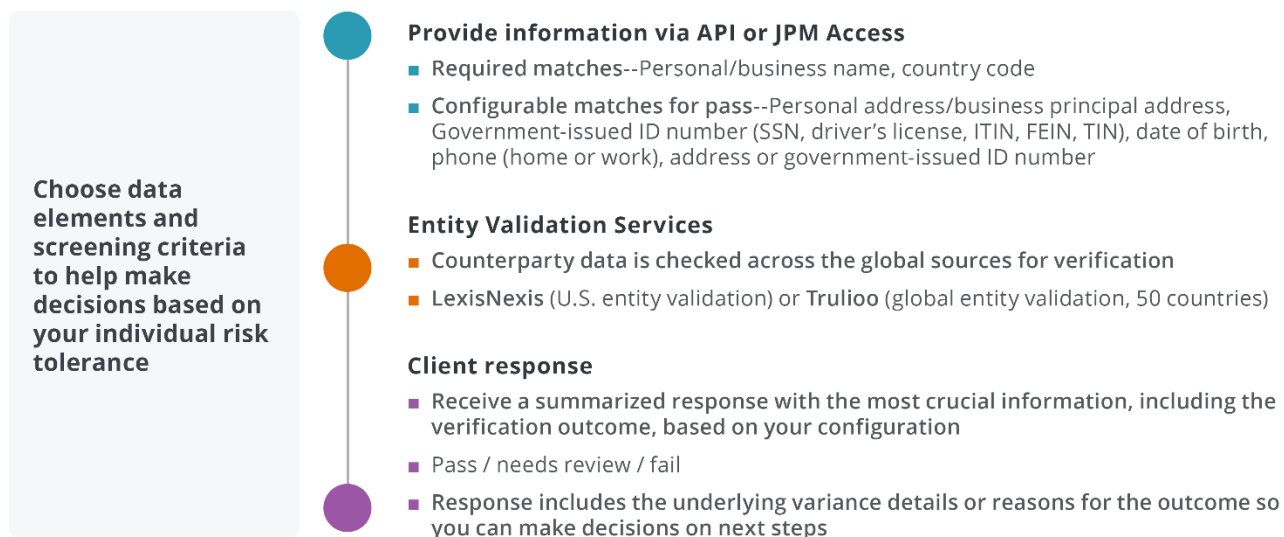


Figure 34

Notice:

These services are not intended to, and do not, satisfy any regulatory or other requirements for the establishment or maintenance of any Sanctions, Anti-Money Laundering, or Know-Your-Customer program. Clients using entity validation service products remain subject to and solely responsible for compliance with their own regulatory and sanctions obligations. Use of the services does not constitute a guarantee that transactions will be processed for verified or screened counterparties.

J.P. Morgan Concourse™

Our vision provides the City with the flexibility to **control your customer experience** while leveraging J.P. Morgan's access to payment channels as they come to life.

Our new digital platform, J.P. Morgan Concourse™, is a secure, digital experience for consumer and small business payments which encourages electronic payment adoption and reduces the burden of collecting, storing, and validating payee payment information. You can securely initiate electronic payments with just an email address.

Concourse offers the flexibility for the City to initiate payments to your counterparties intelligently and offer them a variety of payment options to choose from. You can opt to offer traditional payment methods such as same day or next day ACH, or you may choose more "instant" options, such as Zelle, J.P. Morgan Real Time Payments, or push to card (Visa or Mastercard-branded debit or reloadable prepaid card).

In the future, Concourse will also support Push to Wallet into the recipients' PayPal or Venmo wallet.

The City is in control, and we can easily add (or remove) methods of payment available as you desire. This flexibility even extends to changing options among different programs to meet respective line-of-business needs where regulatory requirements might exist.

Concourse is primarily positioned as a B2C payment solution that also supports the ability for vendors and suppliers (B2SB) to enroll and receive electronic payments.

Providing a streamlined and intuitive user experience to the customer

Our Concourse platform offers a **modern, intuitive** and **simple interface** to payees receiving payments from the City. Concourse offers automatic payment communications to payees via a City-branded email or SMS text. In addition, a City-branded customer portal is available where payees can review payment details and accept payments through their preferred payment method made by you.

We offer a seamless experience for the City's payees to select their preferred method of payment based on the payment options that you make available. Whether that individual is representing themselves or their small business, our model is designed to support the City's beneficiaries.

You can customize the payment reference information to make information available to payees in the Concourse interface, including adding specific legal verbiage or marketing adage.

Concourse provides the City the ability to apply customized content and styling to your payee facing portal while supporting multiple languages, such as English, French and Spanish.

Online and Mobile Portal

Concourse's online and mobile portals are **user-friendly** and enable your payees to accept electronic payments **quickly** and **efficiently**.

Concourse is highly configurable to match the look and feel of your organization. It supports robust branding and style customizations on the website. You can include your logo, colors and themes, and terminology. In addition, you have the option to co-brand with the Chase logo, providing your payee with additional assurance that a trusted financial services provider powers their payment experience.

Concourse's online and mobile portals provide an **integrated experience**. The mobile portal automatically adjusts the layout when using a mobile device. This technique, known as responsive design, provides a unified way for the City to integrate desktop and mobile user experiences into your payment process.

Concourse supports a variety of digital workflows that can be configured to the specific use cases you want to support, including:

- Enrollment to receive recurring electronic payments
- Guest checkout for one-time payments
- Viewing historical payments and remittances
- Viewing and editing user profile information

The City's Concourse portal can be integrated with your existing website in one of the following ways:

- **Direct Access URL:** A web address that is specific to your Concourse portal and can be distributed to your payees
- **Secure Session Transfer:** Place a session transfer button on your website that can link directly to your Concourse logon page using HTML (POST), or securely transfer an authenticated payee directly into Concourse without having to log on a second time
- **Embedded Widgets:** Leverage your existing supplier (payee) portal and embed Concourse screens to display or capture payment methods, giving you peace of mind knowing all payment information is stored securely on Concourse servers
- **API Only:** Build your own payee experience using our security and our payment capabilities. Concourse securely stores your payee's bank account information for payees to use for future payments

Concourse's online and mobile portal is designed to provide your payees with **seamless** and **efficient self-service** capabilities. Concourse's extensive configurability serves clients across a broad spectrum of industries and verticals. It is specifically positioned to help the City achieve your payables goals.

The City supplies your payee's email address, payment amount, name and desired remittance data to send a payment through Concourse.

We then send an email to your payee that contains a link to launch our intuitive payee portal—branded to the City.

- The payee has the option to accept the payment and enter in their preferred payment method
- Accepted payments are sent into the payee's account
- For rejected payments, you have the option to have us print and mail a check
- You determine the remittance data that is provided to the consumer and the length of time the consumer has to accept a payment offer before it expires

If the payee does not accept the payment offer in the designated time, you can have us turn the payment offer into a mailed paper check with no further action needed from you.

ACH eLockbox overview

We offer you an electronic payment consolidation service to help you save time, improve productivity and reduce costs.

Here's how we can help you streamline receivables posting with this service:

- Consolidation of electronic payments received from multiple sources into a single deposit
- Quickly crediting your account on the morning of the next business day after receipt of payments
- Convenient posting to your back-office system because our Transaction Repair service allows you to review and repair exception items online
- Streamlined single accounts receivable data file that's uploaded into your back-office system

WHY WORK WITH US?

We offer eLockbox consolidation for bill payments and remittances from more than 70 providers, including Fiserv, FIS, MasterCard RPPS, IPP, ORCC, i-Pay, MoneyGram, Western Union, Yodlee, U.S. Government agencies, and the Federal Reserve Bank, among others, enabling you to streamline your accounts receivable update process.

Benefits of our approach to ACH eLockbox

Streamlined processing via consolidated, straight-through consumer, business or government processing



Accelerated availability and improved productivity through reduced mail, processing and check clearing float

Expedited exception handling and data validation to improve your remittance and posting accuracy



Increased security using a unique account number that our back office maps to your actual bank account number

Payment settlement time decreased to one or two days—down from four to seven days



Lower overall cost associated with payment processing and application

Transaction Repair is available through J.P. Morgan Access

We designed Transaction Repair to help you review and repair exception items online for faster posting to your back-office system. Just submit returns and notifications of change to your originators online through our Transaction Repair service or J.P. Morgan Access Transaction Services to correct future issues and improve straight-through processing.

How ACH eLockbox works

- First, the City notifies your payment processors to send the payment files directly to your ACH eLockbox. We work with each processor on your behalf to complete the payment redirection.
- Your customers send you payments electronically (e.g., online banking, credit cards, bank by phone, government remitters).
- After validating the billing account numbers and data match each transaction, we consolidate the payments automatically on receipt.
- A single credit, along with remittances, posts to your account—all in the same business day.

GIVING YOU AN ADVANTAGE

ACH eLockbox service improves consumer satisfaction through faster:

- Payment posting
- Research
- Problem resolution

ACH eLockbox: How it works

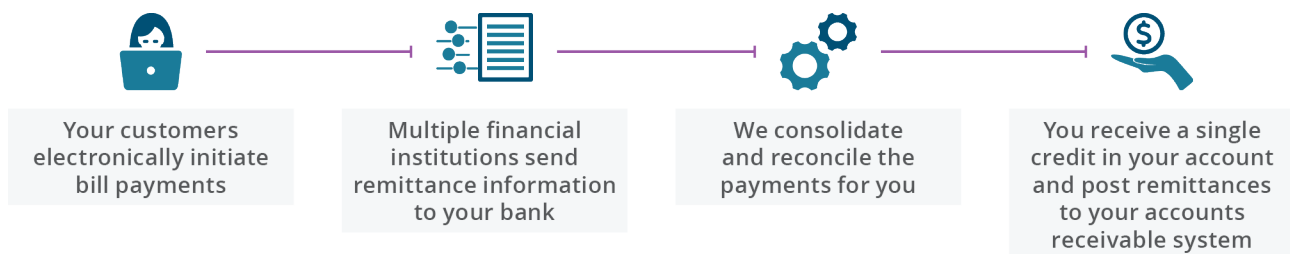


Figure 35

Added security

We help protect your account information by issuing you the City-specific account number that's used to collect payments into your ACH eLockbox account. This account number is translated to your actual account number by our back office.

Streamlined information reporting

We format daily remittance data into either our standard accounts receivable format or your proprietary format, such as:

- Billing data
- Corresponding dollar amounts
- Transaction edits

Data gets routed directly to your back office through ACH eLockbox. Plus, we provide batch ranges for the electronic payments.

We also offer you the choice of integrating the data into our file management service (File Transmission Receivables and Advising Reporting), which retrieves and consolidates lockbox, ACH and wire payment details and transmits it to your accounts receivable system.

Improved settlement and customer service

With ACH eLockbox, you have access to timely payment information, which allows you to respond to your customer inquiries without delays. It also helps you avoid unnecessary service disruptions by shortening the payment settlement process by up to two days.

Efficient exception processing

With ACH eLockbox you receive an exception report that shows where payment edits failed. This helps you reduce manual exception processing hassles and collection costs linked with your bill payment service providers' "check and list" information. As a result, your staff can:

- Address and return exceptions more quickly to the originator
- Have notification of changes automatically sent to the payment originator for payee database updates
- Search and view remittance information online
- Return transactions and submit notifications of change to originators to correct future transactions

Remember to submit returns and notification of change requests using our Transaction Repair service or through J.P. Morgan Access Transaction Services.

ACH eLockbox Transaction Repair

Transaction Repair is an option through J.P. Morgan Access that streamlines the exception process. Use Transaction Repair to review and repair exception items online for faster posting to your back-office system.

We match incoming transactions against your posting rules (e.g., customer reference number or account number) and send you a list of exceptions to review and repair online via the online portal to facilitate posting.

Transaction Repair allows you to return transactions you cannot post or submit notifications of change electronically to the originators to correct future transactions to improve straight-through processing.

Additionally, you can:

- Act on and validate payments from your customers to accept incoming CIE, CCD, CCD+, CTX, web, TEL, PPD and PPD+ transactions
- Automatically receive and review transactions that don't meet your edit/validation instructions and correct these transactions securely online

When we receive your online corrections by the established cutoff time, we will remit the corresponding payments to you in your designated eLockbox posting file that same day. Further reduce future exceptions with our Auto Repair feature, where any repairs you make will be automatically applied to any future incoming items with that same erroneous information.

ACH eLockbox Transaction Review and Repair: How it works

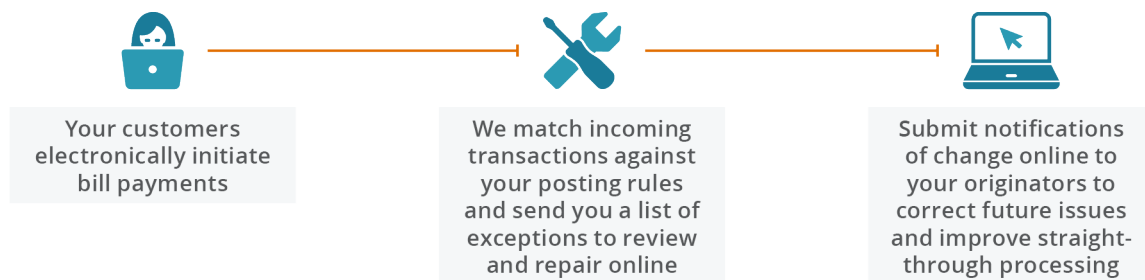


Figure 36

Auto Repair Option: Let us correct and repair transactions automatically and then send to you for automatic posting.

Reporting, posting and funding

We post one payment to your bank account at the opening of bank business. This total correlates to the total of the detailed payment file transmitted to you. The daily posting files and other standard reports are delivered through J.P. Morgan Access.

ACH eLockbox funds movement timeline



Figure 37

* Subject to applicable cutoff times.

Convenient cutoff times

- Opening of bank business: We consolidate payment activity through 12:00 a.m. PT (subject to applicable cutoff times) each banking day and render settlement and data to you by the opening of bank business.
- Intraday payment file: We report intraday payments, whereby payments made by consumers or corporations that are received by us by 11:00 a.m. PT are reported to you by 2:00 p.m. PT.

Paymentus® J.P. Morgan relationship

Your constituents expect modern methods to view and pay their bills. J.P. Morgan has joined with Paymentus to offer a market-leading, paperless electronic bill presentment and payment solution. Through our collaborative relationship, we offer your customers a **seamless** and **fast payment experience**.

Our relationship with Paymentus, the industry-leading eBilling and payment solutions provider, unites innovative technology with the security and confidence of a world-class treasury and merchant services bank. The resulting solution, Digital Bill Payment, meets your needs for a simplified, secure and customizable experience. It gives your constituents the ability to pay when, where and how they want.

SIMPLIFY AND STREAMLINE

- Stay close to the payment life cycle
- Improve reconciliation
- Reduce paper float, improving working capital
- Expedite collections with electronic payments

Digital Bill Payment provides a single, integrated solution for web, mobile, interactive voice response (IVR) and in-person payments and more. Your constituents can easily view invoices electronically through an online portal and pay a single invoice or multiple invoices with:

- eCheck
- Credit or debit card
- Digital wallets
- In-person cash payments

Keeping it simple

As a fully hosted, single-vendor solution, Digital Bill Payment eases the burdens, pitfalls and fees that come with coordinating various systems. Our solution helps you better manage your billing and payment process. You get access to a spectrum of services and capabilities with one connection and one integration.

Digital Bill Payment provides you with an omni-channel payment solution to meet your current requirements and your future growth opportunities, including PayPal, Venmo and many digital wallets. **You choose** when and how you enable them—whether it's today or down the line as your needs change.

No cost services

In addition to our value-added services, J.P. Morgan strongly believes in delivering value without charging clients additional costs to use our services. The table below illustrates that commitment.

No cost services	
Notifications	Event notifications, including Payment Needs Repair, Transaction Completed, Balance Threshold, User Pending Approval and many more (over 50) to help manage your accounts.
J.P. Morgan Access Transaction Services	Provides 7 years of wire details for both incoming and outgoing USD wires.
J.P. Morgan Access Transaction Services	Offers 15 months of historical transaction information on all ACH originated and received payments.
J.P. Morgan Access Mobile	Provides authorized users with mobile access to account activity, ability to deposit checks and approve U.S. ACH, wires, account transfers and book transfers payments.
J.P. Morgan Access Help Center	The City is invited to join training webinars found online in the Access Help Center. Our webinars are live facilitator-led web conferences that include question and answer sessions that allow full participation between the audience and the presenter. You can register for training webinars via Access Help Center.
Online bank statements	Provides retention for 7 years of bank statements.

J.P. Morgan Payments Insights app

We also offer our J.P. Morgan Payments Insights app, which provides timely and relevant payments news and thought leadership.

The J.P. Morgan Payments Insights app makes it easy for treasury, payments, marketing and technology professionals to discover the latest digital and connected commerce insights from our experts.

Current and future app features		
Client Stories	Solution Insights	Event Insights
News	Videos	Podcasts

Download today

Search for J.P. Morgan Payments Insights in the Apple and Android app stores and download today.



APPLE

Scan with your phone or ctrl + click the QR code to download from the Apple Store



ANDROID

Scan with your phone or ctrl + click the QR code to download from Google Play

Section T - Additional Services

1. Please discuss the employee benefit programs for City employees and indicate if the bank would be able to participate in City-hosted employee benefits presentations.

Yes, we would be happy to participate in City-hosted employee benefits presentations. We have provided information on the following two services that City employees may find beneficial:

Chase Secure Banking

Chase Secure Banking is a low-cost banking product that can help provide consumers access to a checking account and traditional banking relationship, including those consumers new to banking or who have had trouble getting or keeping a banking account in the past.

Chase Secure Banking works like a traditional checking account but does not allow check writing or wire transactions (incoming or outgoing), and is designed to only allow the bank to authorize transactions against sufficient funds in their account so the consumer will not get overdraft fees.

With Chase Secure Banking, consumers can:

- Access Chase ATMs and branches
- Access the Chase Mobile app and Chase.com to check their balance, send money to friends and family, pay bills, and monitor their credit
- Deposit checks and get direct deposits from an employer
- Make electronic payments (ACH) and set up bill pay
- Use a debit card which is accepted almost everywhere Visa debit cards are accepted
- Access Chase Offers, available on the Chase Mobile app as a way to get more value from purchases

Consumers can sign up for Chase Secure Banking online at chase.com/securebanking or at any Chase branch location.

The monthly service fee for Secure Banking is \$4.95/month (\$60/year), which allows Chase to deliver a sustainable product, and also provides access to a significantly less expensive banking product for unbanked customers. Consumers can avoid the monthly service fee by having \$250 in electronic deposits each monthly statement period. Product terms are subject to change.

The bank continues to innovate and develop products that meet the needs of the communities it serves. Its thousands of branches provide access to home lending, small business funding, and advice on reaching personal and business financial goals, in addition to personal banking needs.

Chase Home Lending Employee Benefit Program

The City's employees are invited in the opportunity to participate in the Chase Home Lending Employee Benefit Program. This program is a powerful program that provides your employees cost saving benefits on the financing cost of a new home purchase or refinance. This program also provides education and tools that can assist your employees in deciding whether buying or renting a home is the best solution.

The Chase Home Lending Benefit program is only available to employees and retirees of participating companies, universities or governmental agencies that host our offer on their HR/Benefits site. The Chase Home Lending Employee Benefit is supported by a high level dedicated team of Home Lending Advisors that will make certain employees have a team to personally guide them through the entire home lending process. The program and benefits are not currently available at any of our Chase Banking Centers.

There is no cost to the City to participate in the Chase Home Lending Employee Benefit Program. Once the City agrees to opt-into the terms and conditions and agrees to host our customized URL on your HR/Benefits portal, we will provide you with a dedicated URL giving your employees immediate and ongoing access to the Chase Home Lending benefits and online tools. To see a sample of the page we will create for you once your enrollment is received, [click here](#).

A team of Home Lending Advisors are ready to serve your employees. Your employees will never need to visit a branch, and their entire mortgage process can be completed online, via the Chase MyHome app and over the phone.

Ready to enroll and/or learn more visit: www.Chase.com/ExclusiveBenefits.

2. What types of programs will your bank offer City employees to open accounts and have their paychecks direct deposited? What provisions will your bank make for employees to cash their checks if they do not have an account with your bank?

The City employees may be eligible to open a variety of Chase checking and savings accounts. Information regarding our consumer banking products and retail branch locations can be found at www.chase.com or by visiting any Chase retail branch.

We will cash the City's payroll checks drawn on J.P. Morgan with proper identification. You may elect to have fees charged to the payees or to absorb fees on behalf of the payees. This applies only to payees without Chase; Chase account holders will not incur fees. Reasonable thresholds will be established for you based on the expected activity and risk for the account. The threshold represents a maximum per check limit.

Section U - Compensation and Reimbursement

- 1. Please describe how you intend to charge for banking, merchant, and cash management services. Provide a comprehensive and detailed fee schedule for the proposed services.**

Banking services are charged via account analysis and if there is an amount owed, we debit monthly from the City's designated billing account.

For merchant services, we debit monthly from the City's designated billing account.

Please see Appendix 3 for our pricing proforma, Appendix 9 for our Commercial Card Consortium pricing and Appendix 10 for our Merchant Services pricing Schedule A.

- 2. Detail all start-up, and any recurring fees.**

Please refer to our pricing proforma in Appendix 3.

- 3. Outline billing and payment expectations, including timing and method of payment.**

As the standard option, J.P. Morgan offers monthly settlement with fees debited on the 15th calendar day of the month following the close of the billing period.

Account analysis statements are generated monthly. J.P. Morgan's electronic billing statements are available online through J.P. Morgan Access on the sixth business day after the close of the billing period.

- 4. Please define any "extra" services and describe if such services will be billed at a different hourly rate or describe other methods of billing for extra services.**

Not applicable.

Section V - Additional Information

In this section, provide any other information that the Proposer believes is applicable to the evaluation of the proposal or your qualifications for providing the banking and merchant services set forth in this RFP. You may use this section to address the aspects of your services that distinguish you from others.

Leadership, quality, client advocacy, investment, along with unparalleled scale and commitment to delivering our services on your behalf, differentiates us from other providers and position us to help you achieve your treasury goals.

Differentiator: Industry-leading client service and implementation

Client service. J.P. Morgan earned a **Greenwich Excellence Award for customer service** in 2023. Based on our client survey for the second half of 2023, 88 percent of clients reported top overall satisfaction ratings with Commercial Banking Client Service, and agreed it is easy to do business with us. We are focused on delivering an outstanding service experience that is responsive, dedicated, proactive, engaged and experienced. Further, our expert team approach includes access to back-up support.

Implementation. In our 2023 post-implementation survey, nearly 90 percent of our Commercial Banking clients surveyed rated their overall experience post implementation as very good to exceptional. We know change can be hard and has a big impact on you, your team and your business. To simplify your banking experience, our onboarding model delivers simple, fast, digital and resilient access to the resources you need.

Differentiator: Insight into industry trends and best practices

Thought leadership. We can help you improve your ability to more effectively and efficiently manage cash while achieving operational cost savings, allowing you to focus on your strategic objectives. Our financial experts leverage their in-depth knowledge of current trends, challenges and opportunities in treasury management to provide tailored financial solutions to help you meet your goals.

Treasury optimization. We develop tactical, analytical outputs to help you with bank and account rationalization, centralized treasury structures, performance benchmarking diagnostics, payables and receivables optimization.

Guidance. Integrate a new treasury practice seamlessly as our dedicated Corporate Actions team shares guidance on mergers and acquisitions, spin-offs, divestitures and asset sales. We help you prepare by evaluating existing banking services and cash processes, developing customized treasury integration plans for specific transaction targets and constructing roadmaps to consolidate, simplify and scale treasury activity to improve visibility and overall efficiencies.

Differentiator: Safety and security

Cybersecurity. We invest significantly every year in cybersecurity to maintain our defenses and actively enhance our threat resiliency. While we do a lot by investing millions in cybersecurity annually to protect our systems, it's most critical to educate our clients—and you in turn, educate your employees—on how to take action to counter fraud and mitigate risk. We help keep you abreast of the latest potential threats with our webinars. And when you experience a threat, leverage our Cyber Security Operations Centers working 24/7 around the world with dedicated cybersecurity staff providing follow-the-sun coverage.

Safer payment methods. Besides providing fraud protection services like positive pay, we can help you accelerate conversion to electronic payments, use technology to monitor and reconcile transactions and outsource non-key functions, such as check printing.

As fraudsters become more sophisticated, we've collaborated with Early Warning to offer an authentication service for payer or payee account information prior to transaction processing. Let us help mitigate risk for your supplier payments and customer collections and curb the potential for fraudulent electronic activity and administrative returns.

Differentiator: Payment leader

Scale advantage: Capture scale from the firm that ranks #1 in U.S. dollar treasury and commercial clearing—as of 2023, processing \$3.5 trillion in daily wire payments and \$40.3 trillion in originated annual ACH payments. You benefit from later deadlines, faster clearing and operating efficiencies.

Proprietary platforms. Integrate payments seamlessly through our proprietary payments and imaging platforms, as well as commercial card and merchant processing solutions.

Industry influence. Our key industry positions in organizations like Nacha, the Faster Payments Task Force and the New York Federal Reserve lend us opportunities to impact the payment industry and share first-hand insight on modernizing payments and drive change for our clients. We translate that to better products and services for you.

Differentiator: Treasury integration

Open banking: For years we've supported integration of clients using SAP, Oracle, PeopleSoft, J.D. Edwards, Microsoft, etc. to our banking systems. We build upon our experience to help clients reduce implementation efforts by integrating value-added services through our collaboration with key ERP, TMS providers and FinTech.

API: This enhancement provides opportunities to explore new ways to deliver our capabilities, services and information to clients on-demand.

Enjoy seamless communication and a more fluid end-user experience as APIs accelerate the shift from batch to real-time processing. Additionally, APIs enable batch processing of payments across multiple banks and assist with information received to reconcile payments.

What can be better than saving money, boosting efficiency and reducing your environmental footprint?

In response to persistent competitive and regulatory pressures, organizations around the world are developing new policies and adopting best practices to boost financial performance, such as:

- Faster payments
- Fraud and risk mitigation
- Adoption of payments standard ISO 20022
- Environmentally responsible paper production and consumption practices
- Mobile and tokenized payments

Leverage your treasury strategy to improve working capital, reduce processing costs, mitigate risk and build a business case for automation.

Benefits of our approach to migrating payables from paper to electronic



We are here to help

Automating may be easier than the City thinks, and we are here to help. Get the help you need from our variety of tools to help treasury managers:

- Review current operations
- Develop a strategy to migrate to a paperless environment
- Reduce redundancy by adopting an electronic treasury platform

We are going where you need us to be. We are delivering on a global scale, all built on the same principle: valuing our relationships so we can make things easier for you.

We are building the business you have asked for so we can help you grow. Building relationships that last, we help you unlock a brighter future with solutions that match your needs and make your treasury operations more efficient.

Our connectivity vision involves fully hosted solutions that offer streamlined integration with leading Enterprise Resource Planning (ERP) and Treasury Management Systems (TMS) providers, as well as a growing API suite that provide enhanced experiences.

Focus on progress

First, the City may want to determine the electronic payment method that provides the optimal cost and efficiency benefits by treasury function, while also considering the steps that are easiest to implement.

Next, identify key barriers to meeting optimal automation and work with service providers to overcome them. Consider using enrollment/procurement portals and technology platforms to exchange invoice and remittance information.

Then, remember to decide how to measure success—establish goals and develop metrics to measure progress. Quantifying cost savings and benefits can help make a compelling business case to management. You may find it helpful to offer incentives to staff, customers and suppliers to accelerate the move to the electronic method of choice.

Moving from paper-intensive approaches to electronic processing



Figure 38

Making progress and moving from paper-intensive approaches to electronic processing is the key to realizing cost savings and a green treasury.

Keeping current and competitive

Our clients need to easily integrate innovative solutions into their daily business operations to take advantage of greater convenience, information accuracy and increased efficiency. We work closely with our clients to understand their current needs and anticipate future needs.

For example, J.P. Morgan has a long-term commitment to leading the industry's transition to electronic payments. We support the expansion of check image, Internet-based technologies and the use of artificial intelligence for improving transaction return processing and limiting administrative returns, as well as automating fraud detection and prevention efforts.

Leadership and influence

Our clients benefit from our industry influence. J.P. Morgan Treasury Services is an active member of industry forums and roundtables sponsored by groups such as the Bank Administration Institute (BAI), Association of

Financial Professionals (AFP), X9 Accredited Standards Committee, hardware/software vendors, the Federal Reserve and the National Automated Clearing House Association (Nacha).

Our involvement on boards and operational committees lends us opportunity to share the course and direction of the payments market. For example, our active participation on the Nacha Board of Directors, the Rules and Operating Committee and the Clearing House Payments Association, allowed J.P. Morgan to play an integral part in the formation of the new Nacha Same Day ACH Rule changes on behalf of our clients.

Blockchain

The promises and potential implications of blockchain technology are too significant to ignore. As part of our approach to blockchain, the Blockchain Center of Excellence (BCOE) was established in 2015 to execute a comprehensive distributed ledger technology strategy. J.P. Morgan is a member of the industry consortia Enterprise Ethereum Alliance and the Linux Foundation's Hyperledger Project. Our investments focus on research and development of blockchain solutions and applications of this brand-new industry-leading technology to bring value to our clients. The BCOE is engaged in:

- Building an industry leading, enterprise ready distributed ledger technology (DLT) stack by working with highly talented engineers and leveraging open source and in-house built systems
- Developing and maintaining strategic relationships with DLT providers, whether startups, established technology vendors or industry consortia
- Leading the industry's adoption of this technology via targeted and active participation in key industry forums and building relationships with other industry participants
- Working with industry regulatory and organizations to ensure legal, regulatory compliance and information risk considerations are evaluated and properly addressed when driving industry adoption

The pipeline of business use cases is constantly evolving and communication of our efforts within specific use cases is limited to what is disclosed in the press already. Two of these include cross-border wholesale payments processing and post-trade securities services

The firm sees a lot of potential with technology, which eliminates a redundant middleman by applying decentralized trust models while at the same time creating transparency and faster settlement of transactions.

J.P. Morgan is actively involved in both the business requirement development and engineering research and development work needed to bridge the gap between proof-of-concept and production technology. Mass adoption timing depends on cooperation and collaboration in the marketplace.

Innovation

Client feedback and demand drive the development, design and implementation of our product enhancements. We constantly evaluate existing product delivery platforms and processes, gathering information from direct customer contact, internal customer contact personnel, other banks and regulators.

An example of this commitment was the creation of new alerts and Transaction Services within our portal, J.P. Morgan Access. Clients asked to be alerted when there were issues with executing a wire transfer or when Fed or CHIP wire transfer funds were returned. These alerts are now available on the portal's home page.

Our financial strength and scale allow for significant investments in technology that enhance the bank's ability to provide ongoing improvements as technologies advance.

The bank's product and market management teams actively participate in the design and deployment of new and enhanced services. We continually innovate to enhance our client solutions, reduce processing costs and increase operating efficiency.

Minimizing disruptions

As any change or update we make to our products has the potential to affect our clients, we focus on minimizing disruption when adding new features and enhancing functionality. Our development teams have years of treasury management experience. Our track record for implementing product enhancements quickly and effectively speaks for itself. Additionally, because we do not outsource development, clients work closely with our development teams and bankers to fine tune solutions, implementation and operations.

Development of new services

We continually enhance services based on client input, product expertise and quality management feedback.

Benefit from our commitment to significant resources and investments into product development and technology upgrades to continuously improve service quality and product offerings.

We evaluate all ideas and opportunities to understand client needs, market trends and strategic fit, then drive opportunities through a disciplined product development process, with standard deliverables and value-based decisioning along with entrance and exit criteria.

Clients say our approach fosters lasting relationships and positions us as innovators

- **Assess:** Gather clients to confirm market penetration, competitive positioning and demand
- **Define:** Work with clients or prospects to evaluate the value proposition and proposed pricing models, and identify high-level requirement
- **Develop:** Engage clients in hands-on evaluation of the proposed product or user interfaces
- **Validate:** Live client interaction with production-ready capabilities to influence general availability and ongoing development schedule

Our New Business Initiative Approval Group manages product innovation and development life cycles by involving a cross-functional executive team. Hear about new bank initiatives and opportunities from John Wacaster.

Exhibits

Exhibit A – Banking Services Bid Form

Complete the attached Bid Form with pricing information (Attachment 3).

Please see our pricing for Exhibit A on the following pages.

Exhibit A
City of Murrieta - Banking Services Bid Form

This is a sample bid form, providing the City's current average monthly volumes. Please complete all of the items listed on this form. If the bank does not/cannot provide the service listed, please indicate this using "NP" for "no proposal", and if applicable, recommend an alternative service. If the proposing bank chooses not to use this form, the bid should include, at a minimum, the items listed on this form and estimated annual cost. Please add any additional services offered or provided that are not listed on this form.

Item	City's Current Volume (average per month)	Per Unit Cost	Total Monthly Cost	Est. Total Annual Cost
General Account Services				
Zero Balance Account - Base Fee (General)	1	\$ -	\$ -	\$ -
Zero Balance Account - Maintenance (General)	1	\$ 5.000	\$ 5.000	\$ 60.000
Zero Balance Account - Base Fee (Payroll)	1	\$ -	\$ -	\$ -
Zero Balance Account - Maintenance (Payroll)	1	\$ 5.000	\$ 5.000	\$ 60.000
Depository Services				
Armored Carrier Pickups	16	\$ -	\$ -	\$ -
Armored Carrier Deposit	51.5	\$ 2.000	\$ 103.000	\$ 1,236.000
Armored Carrier Deposit (currency and coin)	\$6,403.70	\$ 0.750	\$ 4.500	\$ 54.000
Cash Branch Deposit	12.30	\$ 1.500	\$ 18.450	\$ 221.400
Cash Branch Deposit (per \$1)	\$10,264.00	\$ -	\$ -	\$ -
Desktop Deposit - Monthly Base	1	\$ 5.000	\$ 5.000	\$ 60.000
Desktop Deposit - Deposited Items	151	\$ 0.050	\$ 7.550	\$ 90.600
Returned Item Service	1	\$ -	\$ -	\$ -
Returned Item Chargeback	1.38	\$ -	\$ -	\$ -
Redeposited Returned Item	1.33	\$ 1.500	\$ 1.995	\$ 23.940
Deposit Correction	1	\$ -	\$ -	\$ -
Positive Pay - General	415.8	\$ 0.020	\$ 8.316	\$ 99.792
Positive Pay - Payroll	31	\$ 0.020	\$ 0.620	\$ 7.440
Positive Pay Exception Checks Returned	4	\$ 5.000	\$ 20.000	\$ 240.000
Payee Validation - General	415.4	\$ 0.020	\$ 8.308	\$ 99.696
Payee Validation - Payroll	28.4	\$ 0.020	\$ 0.568	\$ 6.816
Check Disbursement Services				
Check Paid - Accounts Payable	418.2	\$ 0.035	\$ 14.637	\$ 175.644
Checks Paid - Payroll	28.6	\$ 0.035	\$ 1.001	\$ 12.012
Stop Pay - Manual	1.88	\$ 10.000	\$ 18.800	\$ 225.600
Wire Transfer Services				
Online Wire Templates	27	\$ -	\$ -	\$ -
Incoming Wire - Domestic	1.44	\$ 5.000	\$ 7.200	\$ 86.400
Outgoing Wire - Domestic	4.3	\$ 2.000	\$ 8.600	\$ 103.200
ACH Services				
ACH Module - Debit	1	\$ 5.000	\$ 5.000	\$ 60.000
ACH Module - Credit	0	\$ 5.000	\$ -	\$ -
ACH Deposit Items - General	144.4	\$ 0.020	\$ 2.888	\$ 34.656
ACH Deposit Items - Payroll	75.5	\$ 0.020	\$ 1.510	\$ 18.120
ACH - Same Day	5.2	\$ 0.050	\$ 0.260	\$ 3.120
ACH - Future Dated Item	2384.5	\$ 0.020	\$ 47.690	\$ 572.280
ACH Fraud Filter Review	10.2	\$ 5.000	\$ 51.000	\$ 612.000
ACH Special Transmission	4.9	\$ -	\$ -	\$ -
Credit Transactions Processed	279.5	\$ -	\$ -	\$ -

Item	City's Current Volume (average per month)	Per Unit Cost	Total Monthly Cost	Est. Total Annual Cost
ACH Notification of Change	3.5	\$ 1.000	\$ 3.500	\$ 42.000
Credit Cards				
Number of Ghost Cards	35	\$ -	\$ -	\$ -
Monthly Average	\$166,090.59	\$ -	\$ -	\$ -
Number of Cal Cards	214	\$ -	\$ -	\$ -
Monthly Average	\$144,092.17	\$ -	\$ -	\$ -
Online Reporting				
Previous Day Maintenance - General Account	1	\$ -	\$ -	\$ -
Previous Day Maintenance - Payroll Account	1	\$ -	\$ -	\$ -
Previous Day Reporting Items (combined)	895.5	\$ -	\$ -	\$ -
Check Imaging	19	\$ 0.035	\$ 0.665	\$ 7.980
Reconciliation Services				
Check - Positive Pay (General and Payroll)	2	\$ 20.000	\$ 40.000	\$ 480.000
Sweep Account				
Sweep Account Base Fee	1	\$ -	\$ -	\$ -
Sweep Account Position Report	1	\$ -	\$ -	\$ -
Bank Supplies/Services				
Currency Furnished by Branch	\$512.00	\$ -	\$ -	\$ -
Endorsement Stamps	4	\$ -	\$ -	\$ -
Deposit Slips	As Needed	\$ -		\$ -
Deposit Bags	As Needed	\$ -		\$ -
Grand Total:			\$ 391.058	\$ 4,692.70

Exhibit C – Relevant Cash Management Agreements

Agreement for Professional Services with the City of Murrieta

(PSA1 - Professional Services Agreement Template Final(962073.4)_202501101217579854 (2))

J.P. Morgan is willing to utilize the sample Agreement included in the RFP, subject to such terms being negotiated and mutually agreed to by both parties, and incorporating J.P. Morgan's account terms and service terms. The services contemplated by this RFP are standard financial services subject to particular requirements in the financial services industry, and as such, we have attached our form agreements for the services contemplated in the RFP. The account terms and service terms provided by J.P. Morgan relate directly to and articulate the specific services J.P. Morgan is proposing to the City of Murrieta. J.P. Morgan is amenable to discussing modifications to the agreements where appropriate to try and meet the City's needs. Further, if J.P. Morgan is mandated as the winning bidder, J.P. Morgan will negotiate the sample Contract with the City.

Exhibit D – Financial Statements and Ratings

Provide the most recent audited financial statements or annual report for the bank (a reference to electronic availability will suffice). Also include your current Standard and Poor's, Moody's, and/or Fitch credit ratings, where available.

JPMorganChase is a well-capitalized institution with a rock-solid foundation. Both the firm and the bank are routinely rated by industry experts Moody's, Standard & Poor's and Fitch. Ratings are shown as of March 1, 2025.

JPMorgan Chase & Co. credit ratings – as of March 1, 2025			
	Moody's	Standard & Poor's	Fitch
Outlook	Positive	Stable	Stable
Long-term issuer rating	A1	A	AA-
Short-term issuer rating	P-1	A-1	F1+
Subordinated debt	A3	A-	A
Junior Subordinated	Baa1	BBB	BBB+
Preferred stock	Baa2	BBB	BBB+

JPMorgan Chase Bank, N.A. credit ratings – as of March 1, 2025			
	Moody's	Standard & Poor's	Fitch
Long-term issuer rating	Aa2	AA-	AA
Short-term issuer rating	P-1	A-1+	F1+
Long-term domestic deposits	Aa1	N/A	AA+
Subordinated debt	Aa3	A-	A+

These credit ratings are provided for information purposes only. Credit ratings are solely the opinions of the rating

agencies. J.P. Morgan does not endorse, and accepts no responsibility for, the credit ratings issued by the rating agencies. Credit ratings may be changed, superseded or withdrawn by the rating agencies at any time.

For the City's convenience, J.P. Morgan makes our financial statements and other publicly filed documents available through our website: <https://www.jpmorganchase.com/corporate/investor-relations/annual-report-proxy.htm>. This link provides past and current JPMorgan Chase & Co. Annual Reports, which include audited financial statements.

Attachment 2: Vendor Application & W9 Form

Please see the Vendor Application and W9 form on the following pages.

City business license comment and link.

JPMorgan Chase Bank, N.A. (J.P. Morgan) is a national banking association, organized and existing under the laws of the United States pursuant to a charter issued by the U.S. Office of the Comptroller of the Currency (OCC). Deposits in J.P. Morgan are insured by the FDIC as provided by law and regulation. JPMorgan Chase Bank, N.A. is a successor to institutions dating back to 1799.

<https://sites.jpmchase.com/sites/todayjpmc/Pages/index.aspx#/template?id=1401&s=legalhome>

Documentation

The sample documents cover the comprehensive set of products and services that may be offered to our Commercial Banking clients in general, and the standard package may include terms for products and services that are not within the scope of services currently proposed to the City. At the time of your implementation, and based on the specific services you elect to use, you will receive the applicable agreements to be executed from your implementation project manager.

- Sample account opening documents:
- Sample product and service terms and agreements:
- Sample consolidates service terms
- Sample master card agreement

J.P. Morgan has received City of Murrieta (CA), (the “**Solicitation**”), issued by City of Murrieta (“**Issuer**”) and is submitting its proposal or requested information in response (the “**Response**”), which outlines its product and service capabilities and/or pricing as requested in the Solicitation. The Solicitation includes requests that the bidder/proposer provide certain certifications or sworn statements (collectively “**Certifications**”) and/or specific comments to or modifications of included standard terms and conditions, sample agreements, incorporated procurement rules, laws, and the like referenced in the Solicitation (collectively, “**Issuer’s Standard Terms**”). In addition, the Solicitation may indicate that any response provided by bidders/proposers constitutes an acceptance of all Issuer’s Standard Terms and concurrence with Certifications, unless expressly modified or objected to within the response.

J.P. Morgan has robust internal procedures under which Certifications and Issuer’s Standard Terms are thoroughly reviewed and vetted, from a legal, business, and factual perspective prior to entering any agreement or offer that confirms the accuracy of Certifications (if any) and/or agreement to Issuer’s Standard Terms. Except for those Certifications that we have specifically included within our Response, (“**Express Certifications**”), we have not invoked our internal review process in connection with any other Certifications or Issuer’s Standard Terms that may be included within this Solicitation and, accordingly our Response should not be construed as and does not constitute any express or inferred acceptance of the other Certifications and/or Issuer’s Standard Terms. Rather, in lieu of any agreement to Issuer’s Standard Terms or attestation of matters contained within the Certifications, we have enclosed within the Response our standard Account Terms, Addendum to Account Terms, United States of America, Consolidated Service Terms and Master Card Agreement and other documents that may be required by us from time to time to provide products or services to you (“Account and Service Terms”). The current Account and Service Terms applicable to the services and types of accounts that are the subject of the Solicitation are included in Appendix 11. These are provided in addition to the other components of our Response, relative to product/service descriptions and pricing.

If we are awarded the business referenced in the Solicitation, or conditionally awarded the business, subject to agreement between us as to terms and conditions under which the services are to be performed and the certifications to be provided by J.P. Morgan, we will discuss modifications to these Account and Service Terms and incorporation of specific Certifications, where appropriate, to try to meet your needs and specific legal requirements applicable to you. These will be incorporated within a mutually agreeable contract between us. Please keep in mind, however, that J.P. Morgan’s policies do not allow for:

- The provision of unlimited indemnities;

- Conveyance of intellectual property rights;
- Acceptance of liability except to the extent caused by our breach of contract, negligence, or willful misconduct;
- Acceptance of consequential, incidental, or special damages;
- Liquidated damages;
- Agreement to miscellaneous laws, regulations, ordinances, codes, etc. that do not on their face apply to J.P. Morgan as provider of the services that are the subject of the Solicitation; or
- Deviations from the insurance coverage J.P. Morgan carries

Except as modified by our negotiations following notification of award or conditional award of the business referenced in the Solicitation and set forth in the final agreement between us, we anticipate that the Account and Service Terms, as applicable to services and accounts contemplated by the Solicitation will be incorporated within such final agreement. Other than those matters that are expressly affirmed in the Express Certifications contained in our Response, any Certifications and/or Issuer Standard Terms that the Solicitation may otherwise impute to any bidder/proposer submitting a response thereto, are not incorporated into, and may not be inferred, as a result of this Response.

Know Your Customer (KYC)

J.P. Morgan is required to know its customer and to adhere to policies and procedures intended to meet those regulatory requirements that apply to safety and soundness and to fight against the funding of terrorism, money laundering and sanction related activities including performing certain transaction screenings. This means J.P. Morgan will request information about the City and its management and those having authority to transact business with J.P. Morgan in order for J.P. Morgan to comply with its policies and procedures. This is an ongoing requirement and the provision of services pursuant to this proposal and any additional products or services that may be requested is subject to and conditioned upon the ongoing satisfaction of those policies and procedures and compliance by the City with applicable law with respect to the services provided and J.P. Morgan's policies of which the City is informed.

Contract Length

If J.P. Morgan is awarded the contract, all pricing and fees included in this proposal shall remain fixed for a 3-year period from the start of the contract. Any extension period shall be subject to negotiation of mutually agreeable terms, pricing and fees.

Exceptions

J.P. Morgan has identified below the requirements, terms or conditions that we respectfully request be modified in accordance with our recommended revisions. We are willing to discuss mutually agreeable modifications to the contract terms. The proposed changes are indicated by comments in plain gray font, additions in ***italic***, **underlined, black bold text** and deletions by ~~strikethrough, red text~~.

SECTION I

PURPOSE OF REQUEST FOR PROPOSAL AND GENERAL TERMS AND CONDITIONS

1.0 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The City of Murrieta Finance Department is currently seeking proposals from qualified financial institutions to provide comprehensive banking and merchant services for its bank accounts and related cash management. The primary objective of this proposal is to obtain the most efficient, high-quality services at the most reasonable cost. The City plans to establish a three (3) year contract with the option of two (2) additional one (1) year extensions, effective upon approval of the City Council.

J.P. Morgan agrees to enter into a contract that will be mutually agreed to by both parties, incorporating J.P. Morgan's account terms and service terms.

1.7 EXCEPTIONS

If a Proposer takes exception to any part of these specifications as written, or as amended by any addenda subsequently issued, or the Agreement, they must do so in writing. Said exceptions must be submitted with the proposal. Failure to do so will be construed as acceptance of all items of the specification and the Agreement.

As a highly regulated financial institution and service provider to numerous public sector clients, Respondent is subject to certain banking and regulatory laws that may require Respondent to negotiate RFP specifications and contract terms. Respondent may request changes that are mutually agreed to in writing by both parties. Respondent reserves the right to make further comments and take further exceptions if awarded the mandate pursuant to this solicitation.

1.14 INSURANCE REQUIREMENTS

The City of Murrieta requires a certificate of insurance prior to the commencement of any work. Please see Exhibit E of the attached sample agreement for the City's insurance requirements.

The certificate of insurance will be provided upon award. Please see the document section above for additional information.

1.18 TERM OF THE AGREEMENT

The Agreement awarded through this RFP is expected to be effective for a period of 3 year(s), with the option of two (2) additional one-year extensions, ~~at the discretion of the authorized City representative~~ as mutually agreed upon by the Parties.

1.19 CONTRACTUAL DOCUMENTS

In the event of a conflict between documents, the following order of precedence shall apply:

- 1. City of Murrieta Agreement, inclusive of all exhibits, attachments and appendices, including Respondent's Account Terms and Service Terms;
- 2. City of Murrieta Request for Proposal, as amended by Respondent's Proposal, inclusive of any exceptions.
- 3. Proposal

1.23 CONFLICT OF INTEREST

Proposers should identify any other public agency or private representation that may have a conflict of interest with the City of Murrieta.

The City requires a Statement of Economic Interests (Form 700) to be filed by any Proposer who is involved in the making, or participation in the making, of decisions that may foreseeably have a material effect on any City financial interest [reference Government Code § 82019].

J.P. Morgan and its affiliates may be providing treasury services, debt financing, equity capital or other services (including financial advisory services) to other companies, organizations or governmental entities with which you may have conflicting interests. J.P. Morgan does not believe that the provision of such services, products or financing arrangements in the ordinary course of its business to any such entity would interfere with its ability to provide the services contemplated by this proposal.

SECTION III

PROPOSER'S MINIMUM QUALIFICATIONS & EXPERIENCE

3.0 REQUIREMENTS

In addition to meeting all other requirements of this RFP, all responding Proposers shall furnish verifiable evidence that their organization and key staff can clearly demonstrate the experience, skill, and expertise necessary to successfully plan, implement, and provide ongoing banking and merchant services.

Information shall include:

- **j. Evidence that Proposer is in compliance and good standing with the Community Reinvestment Act.**

The most recent CRA performance examination completed by the Office of the Comptroller of the Currency covered CRA activities from January 1, 2014, to December 31, 2019, and resulted in an overall "Satisfactory" rating.

Agreement for Professional Services with the City of Murrieta

J.P. Morgan is willing to utilize to the sample Agreement included in the RFP, subject to such terms being negotiated and mutually agreed to by both parties, and incorporating J.P. Morgan's account terms and service terms. The services contemplated by this RFP are standard financial services subject to particular requirements in the financial services industry, and as such, we have attached our form agreements for the services contemplated in the RFP. The account terms and service terms provided by J.P. Morgan relate directly to and articulate the specific services J.P. Morgan is proposing to the City of Murrieta. J.P. Morgan is amenable to discussing modifications to the agreements where appropriate to try and meet the City's needs. Further, if J.P. Morgan is mandated as the winning bidder, J.P. Morgan will negotiate the sample Contract with the City.

Disclosure statement

This document was prepared exclusively for the benefit and internal use of the party to whom it is directly addressed and delivered (the "Organization") in order to assist the Organization in evaluating certain products or services that may be provided by J.P. Morgan.

Chase, J.P. Morgan, and JPMorganChase and InstaMed are marketing names for certain businesses of JPMorgan Chase & Co. and its affiliates and subsidiaries worldwide (if and as used herein may include as applicable employees or officers of any or all of such entities irrespective of the marketing name used). Products and services may be provided by commercial bank affiliates, securities affiliates or other J.P. Morgan affiliates or entities. In particular, securities brokerage services other than those which can be provided by commercial bank affiliates under applicable law will be provided by registered broker/dealer affiliates such as J.P. Morgan Securities LLC, J.P. Morgan Institutional Investments Inc. or by such other affiliates as may be appropriate to provide such services under applicable law. Such securities are not deposits or other obligations of any such commercial bank, are not guaranteed by any such commercial bank and are not insured by the Federal Deposit Insurance Corporation. We are not responsible for the performance of our partners, their continued service levels, or their ability to provide services.

The information herein does not purport to set forth all applicable issues and is not intended to constitute advice on legal, tax, investment, accounting, regulatory or any other matters. J.P. Morgan makes no representations as to such matters or any other effects of any transaction and shall have no responsibility or liability to you with respect thereto. You should consult with your own advisors regarding such matters and the suitability, permissibility and effect of any transaction. In no event shall J.P. Morgan nor any of its directors, officers, employees or agents be liable for any use of, for any decision made or action taken in reliance upon, or for any inaccuracies or errors in, or omissions from, the information herein. The information herein is not intended as nor shall it be deemed to constitute advice or a recommendation regarding the issuance of municipal securities or the use of any municipal financial products. J.P. Morgan is not providing any such advice or acting as the Organization's agent, fiduciary or advisor, including, without limitation, as a Municipal Advisor under Section 15B of the Securities and Exchange Act of 1934, as amended.

Money Market Funds:

NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE

You could lose money by investing in a money market fund. With respect to a money market fund that qualifies as a "retail" or "government" money market fund under applicable money market fund regulations, although the money market fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. In the case of a money market fund that does not qualify as a "retail" or "government" money market fund, because the share price of the money market fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. If a money market fund does not qualify as a "government" money market fund, effective October 14, 2016, the money market fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the money market fund's liquidity falls below required minimums because of market conditions or other factors. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. A money market fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

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