

30084

**ADOPTED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
MARCH 4, 2010**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois**

AMENDMENT

**BANKING AND ATM SERVICES- JP Morgan Chase
OFFICE OF FINANCE
ALL COLLEGES AND DISTRICT OFFICE
(Amend Board Report # 29309 3-5-09 and
#28617, adopted 2-7-08)
(Ratification Payment)**

THE CHANCELLOR

REPORTS

that prepaid debit cards for student refunds is one of the banking services that JP Morgan Chase Bank, N.A. (“Chase”) provided to the District for no cost from February 2008 until the Summer of 2009, when Chase notified the District of its intention to withdraw the service of providing student refunds and work study payments through prepaid debit cards. Apparently, Federal Department of Education regulations prevent Chase from charging fees to students for the use of such cards. Chase agreed to continue to provide the student refund debit cards without fees until November 1, 2009. Chase further agreed to extend its student refund debit card program beyond November 1, 2009, for a fee of \$7.50 per card, paid by the District. Accordingly, the District seeks ratification by the Board of payments already made to Chase for fees it has paid on behalf of the students, in the amount of \$45,000; and

that an RFP was issued in late Summer 2009 to replace Chase as the student refund debit card provider. The Board authorized the District to negotiate with Higher One to provide the services. However, after considerable negotiations, the District and Higher One were unable to reach mutually agreeable terms; and

that in Board Report No. 30028 dated February 11, 2010 the Board authorized the District to negotiate with U.S. Bank, as the next most responsive bidder, to provide the student refund debit card services; and

that in February, 2009 a number of students strenuously objected to the District’s intention--which had been communicated to them through the student website and email--to issue refunds by way of paper checks while the District waited for the US Bank services to be negotiated and put in place. Accordingly, in response to the student requests, the District continued to use the Chase debit card system and has assumed the cost of the Chase fees. The District projects that the additional student refund

debit card fees will amount to \$60,000 for the period of February through June, 2010; and

that in addition to these debit card fees, the Office of Finance seeks \$7,200 to pay Chase for fraud prevention services:

2009 Audit Request of Check Images	\$ 3,200
Payee Name Positive Pay Service - \$0.03/check	\$ 5,000

that the Office of M/WBE Contract Compliance has reviewed the above contract and has determined that Chase, N.A. has direct participation from Cable Communications, a provider of electrical services, and indirect participation from approximately fifty (50) MBE and WBE vendors used in the conduct of their daily business. Accordingly, the District Office of Compliance has been determined that Chase is in compliance with the Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorize the CFO and/or the Treasurer to pay Chase fees for the student electronic refund debit cards, enhanced bank services, and other banking fees, in an amount not to exceed \$112,200 through June 30, 2010.

FINANCIAL \$45,000.00 (Fall 2009 Payment Ratification) – Education Fund
\$67,200.00 (Spring 2010 Student Debit Cards, Enhanced Services and Audit Requests) – Education Fund

Respectfully submitted,

Kenneth C. Gotsch
Vice Chancellor/CFO

March 4, 2010-Office of Finance-Treasury - District Office