

Office of the Illinois State Treasurer  
Michael W. Frerichs

Request for Proposals  
Treasury Management Solution:  
Investments and Banking (“TMS”)  
370-600-21-005

Addendum 2  
February 9, 2021

Below are the questions received by the Office of the Illinois State Treasurer (“Treasurer”) and the Treasurer’s responses. The questions listed herein are intended to be accurate representations of the questions received; as such, any errors in usage or spelling have not been corrected. Any capitalized terms that are not defined herein have the meaning set forth in the Treasury Management Solution: Investments and Banking (“TMS”) 370-600-21-005 (“RFP”) published by the Treasurer on January 6, 2021.

1. Can you provide any timeline goals regarding project start and project completion or milestones? Is there a timeframe the Treasurer is working towards?

**Yes. A project timeline will be determined following successful contract negotiations. The goal is to implement the TMS prior to December 31, 2021.**

2. Please share information around expected usage of the solution, both from a day-to-day perspective, as well as those that will perform ancillary functions (such as approving payments, but perhaps not managing working on cash forecasting).

**As outlined in Sections III.A. and III.B. of the RFP, the TMS will be used for all daily functions related to banking and investments including, but not limited to the following: importing bank statements, calculating cash, and executing transactions including investment transactions.**

3. Please provide approximate number of: daily transactions, users, financial institutions (banks and custodians), broker dealers, investments, and money managed.

**Please see the following information below:**

- a. **Daily Transactions: Approximately 1,000 - 2,000 across the general ledger; Users: Approximately 25.**
- b. **Financial Institutions: Currently seven financial institutions with 37 accounts between them. There are two (2) custodians, with approximately ten (10) accounts.**
- c. **Broker/dealers: Please see [illinoistreasurer.gov](http://illinoistreasurer.gov) for a list of approved broker/dealers.**
- d. **Investments: The investment pool is the State Investment portfolio, which includes the sub-portfolios Illinois Growth and Innovation Fund**

**(“ILGIF”) and Student Investment Account. Please see [illinoistreasurer.gov](http://illinoistreasurer.gov) for information on State investments.**

- e. Money Managed: The State portfolio balance ranges between approximately \$14 and \$16 billion.**
4. Please provide listing of banks to be included in this project including: # of accounts/per bank and which banks are payment banks.

**There are currently seven (7) financial institutions with thirty-seven (37) accounts between them, these financial institutions and their amount of accounts are as follows:**

- a. Wells Fargo: 11 accounts,**
  - b. DuQuoin State Bank: 1 account,**
  - c. JP Morgan: 4 accounts,**
  - d. US Bank: 1 account,**
  - e. Illinois National Bank: 9 accounts,**
  - f. Bank of America: 4 accounts, and**
  - g. Huntington Bank: 7 accounts.**
5. Please define "bank profiles"?

**A “bank profile” would include, but not be limited to, the following information: bank name, address, city, state, contact, user profiles and roles, and any applicable wire transfer or ACH templates.**

6. Please clarify what is meant by "Treasurer's web portal."

**The “Treasurer’s web portal” is an internally developed infrastructure built in Azure for government. The portal is an inter-agency site where the different state agencies request funds from their general ledger accounts in the form of non-negotiable drafts. The requests are presented to the Illinois Office of the Comptroller (“IOC”) for the receipt of funds. The portal also allows state agencies to view any incoming or outgoing transactions in their general ledger accounts, and view reports based on that information.**

7. Can you please elaborate on the IOC reports, or perhaps provide examples to help us better understand your requirements/business needs?

**The TMS will need to incorporate current Microsoft Excel spreadsheets. The IOC reports will be developed after the implementation of the TMS.**

8. Please describe calculations the Treasurer's staff looks to calculate? Please describe how these calculations are used after calculated

**The TMS must have the ability to calculate available cash based on previous and current day reports imported from their respective financial institutions.**

**Additionally, the TMS must be able to accept any manual input for receipts and expenditures not contained with the bank reports.**

9. Please provide details on tasks/activities the Treasurer's staff are looking to write automation rules for.

**The end goal is for the TMS system to be able to automate through rules all needed activities, including but not limited to the following: bank reconciliation, interest allocation calculations, review/approve/reject workflows, file import/export, reporting and analytics, and connections to/interfaces with Bloomberg (or another pricing service), Treasury Curve, and online trading platforms.**

**Additionally, the TMS shall ideally include mapping rules for calculating cash positions and sweeping the final position to the concentration bank for final investment.**

10. Provide additional details, including source of payments files? (outside systems and imported, manually entered, etc.). In terms of review, is the Treasurer interested in automated payment screening or visual review of payments prior to release? What is the anticipated monthly or annual volume of payments executed?

**The Treasurer imports a summary level of payments from the banks' accounts with a whole dollar amount. Individual transactions would be imported for the ACH and wire transfers that are executed on a daily basis.**

**The Treasurer desires a visual review for ACH and wire transfer transactions prior to release.**

**If the check processing system is the transaction volume being requested, then it is funded in total with one transaction per day.**

11. State desires a Software-as-a-Will the State consider an installed or web-based solution?

**The Treasure reads "Software-as-a-Will" to mean "Software-as-a-Service." The preference is to have a SaaS in order to ensure that the solution will be continuously updated. The Treasurer may consider installed or web-based solutions as long as the Respondent shows that it will perform updates on the system as it would with a SaaS.**

12. Please confirm electronic only submission is acceptable per Pg.15 Item V. C. 2.

**As stated in Section V.C.2 of the RFP, proposals may be submitted electronically and must be submitted following the proper procedure.**

13. Please provide the names of any outside firms, if any, involved in the creation of this Request for Proposals Treasury Management Solution: Investments and Banking ("TMS") 370-600-21-005

**No outside firms were involved in the creation of this RFP.**

14. Please provide names of any outside firms, if any, who have been contracted to assist the State Treasurer's Office with project management and/or change management for the implementation of the selected TMS solution.

**No outside firms were contracted to assist with the project management and/or change management for the implementation of the selected TMS solution, though Novantas, Inc. is currently providing periodic and general TMS review and expertise.**

15. Does the State Treasurer's Office wish to manage Bank Accounts and Analysis of Banking Fees as part of this project?

**The Treasurer desires a TMS that has the ability to manage bank accounts and analyze banking fees, however, it is not a requirement.**

16. Please provide which application(s) the State GL resides in. Are any major upgrades or changes anticipated in the next 18 months?

**The State general ledger resides in the current Treasurer's Information System (TIS). At this time, the intent is to upgrade the TIS in coordination with the TMS project.**

17. Is there a preference for the integration of the TMS and the GL system to be file based 'scheduled' or API 'real time'?

**At this time, there is no preference. The integration may be a combination of both scheduled and real time integration. Users in the Fiscal Operations division need to view entries in the TMS prior to the entries being posted to the general ledger in TIS.**

18. Does the State Treasurer's Office have any historical data conversion requirements aside from converting the existing security master? Such as historical balance or transactional data for X number of months or years.

**The Treasurer will only include data for anything from the current fiscal year that has not matured. As such, the Treasurer does not require that historical data be included in the TMS.**

19. How many investment pools does the State currently use?

**The investment pool is the State Investment portfolio, which includes the sub-portfolios Illinois Growth and Innovation Fund (“ILGIF”) and Student Investment Account.**

20. Does the State Treasurer's Office require investments to be marked to market daily? If yes, is there an existing relationship with a market data provider?

**No, the Treasurer does not require investments to be marked to market daily.**

21. How many unique CUSIPs does the State hold on average?

**If the TMS requires a CUSIP number on all investments, the estimate is several hundred on a daily basis.**

22. Illinois State Treasurer’s Office has several pools of investments (State Investments, College Savings Plans, The Illinois Funds, ILGIF, etc.). What pools would the State be interested in having included in the TMS RFP? Could a holdings report be provided at the tax lot level?

**Please see answer to question 19. Illinois does not do lot level recording of investments, therefore, the tax lot level does not apply.**

23. Would there be any need/desire for a participant portal for the Illinois Funds LGIP to be integrated with the investment portfolio reporting and accounting tool?

**The State portfolio is the only portfolio that is in scope for this RFP. The Illinois Funds LGIP is not part of the State portfolio.**

24. Would the State Treasurer's Office have any specific security master data they would like fed/inserted into their investment system? If so, does Illinois have the contractual ability to provide that data to other systems?

**Yes, the security master data that the Treasurer desires to be inserted into the TMS includes, but is not limited to the following: security description, CUSIP, broker/dealer, fund, bank, purchase date, maturity date, par value, interest rate, first coupon date, original cost, price, original purchased interest, safekeeper, interest basis, interest paid, interest at maturity, investment at maturity, all associated general ledger numbers, collateral, any partial sales, money market fund factors and floating rate/step-up indicator. Currently, the Treasurer imports market price data received from a third-party provider.**

25. Would you anticipate that additional state agencies will use the TMS, or do you envision this solely being used by the Treasurer and his team?

**No other state agencies will use the TMS.**

26. Can you please break down the number of Core vs Lite users needed?

**Approximately twenty-five (25) core users and an additional seven to ten (7 to 10) lite users.**

27. Can you please provide a detailed breakdown of all interfaces needed between existing systems and the new TMS?

**Yes, there are three. The TMS will need to interface with the Treasurer's Information System (TIS), the Agency Web Portal and our contracted financial institutions.**

28. Is the Treasury open to an initial term longer than 4 years?

**Respondent may suggest an alternative initial term, however the total term of ten (10) years (including the initial term) cannot be exceeded. The Treasurer reserves the right to accept or reject any term suggested by the Respondent.**

29. Are student investment accounts in-scope this round?

**Yes.**

30. How does the Treasurer want us to provide feedback on the contractual terms that we don't agree to?

**The Treasurer reserves the right to reject any Respondent that cannot agree to the Treasurer's contractual terms. The Respondent should include a document noting if it anticipates objecting to any specific terms, along with its proposed alternative language.**

31. Will Debt Management be in scope for this RFP?

**No.**

32. Will Funds, Appropriations, Receipts and Paid Warrants (FARP) be in scope for this RFP?

**No.**

33. Will Risk Management be in scope for this RFP?

**Yes, risk management is in scope, but only to the extent that audit requirements and business processes dictate.**

34. Is there a plan to redesign business processes associated with the functions being performed?

**Yes, business processes will be reviewed based on the capabilities of the selected TMS.**

35. Are you expecting the response of this RFP to include detailed implementation approach, implementation resourcing and implementation costs?

What is the scope and roles and responsibilities (RACI) you are anticipating for the vendor/SI to factor into the implementation timelines and fees?

**Yes, the response to this RFP should include detailed information on implementation approach, resourcing and costs. Please include in your response to question 2 of the RFP, your implementation approach, resourcing, and timeline. The Treasurer cannot answer the question regarding scope, roles and responsibility without seeing the product and the respondent's implementation plan.**

36. What support model is expected after go live?

**A tiered support model beginning with full support, reducing to standard support after 180 days.**

37. In point number 1 you mention "industry security standards as approved by Treasurer", do you have a list of those standards?

**All implementation projects must comply with industry best practices and standards for system and data security including but not limited to the following:**

- a. National Institute of Standards and Technology Digital Identify Guidelines;**
- b. ISO/IEC 27000 family Information Security Management Systems;**
- c. Information Technology Information Library (ITIL);**
- d. Information Technology Service Management (ITSM); and**
- e. International Information System Security Certification Consortium, or (ISC)<sup>2</sup>, Certified Information Systems Security Professional (CISSP) best practices.**

**All Treasurer's systems and data, on-premise or hosted, must comply with rigorous security testing throughout solution development and prior to approval to implement. Ongoing security testing by the Treasurer and Treasurer contracted third-party vendors is required throughout the lifecycle of the TMS selected solution including ongoing support and maintenance. All environments, including development and test, are included in the Treasurer's security testing parameters.**

38. You mention "Import all bank profiles into it (the system)." Is this all bank profiles for all banks in the US or banks currently used by the State of Illinois? Do you have a list of the information in the profiles that needs to be imported? Do you have a source for the import (Accuity, Federal Reserve, etc.)?

**The bank profiles that would need to be imported are for the banks that the Treasurer contracts with to do business. Please see answer to question 5 for bank profile information. The source for the import would be each respective bank.**

39. You mention the Treasurer's accounting system. Is this an ERP (SAP, Oracle, Workday) or a different system? Are you expecting the TMS to perform the accounting and reconciliation and/or replace the current accounting system?

**As of July 1, 2021, this will be an ERP (SAP). The TMS will not replace the accounting system, and will not be a general ledger. It will need to perform bank and investment accounting, creating accounting journal entries for all investment and banking transactions, and interface with TIS.**

40. What is meant by "cash calculations?"

**The TMS must have the ability to calculate available cash based on previous and current day reports imported from their respective financial institutions. Additionally, the TMS must be able to accept any manual input for receipts and expenditures not contained with the bank reports.**

41. Is there a specific functionality for which you would like to write rules/thresholds such as EFT processing, accounting, etc.?

**Please see answer to question 9.**

42. Which general ledger system is used? Is this different from the treasurer's accounting system? Can the entries be reviewed and approved before posting to the GL?

**TIS is the current general ledger and accounting system. The current TIS allows the Treasurer to review and approve before posting to the general ledger. The Treasurer requires that any TMS has this capability.**

43. What type of transactions are being anticipated to be edited?

**The Treasurer needs the ability to edit all transaction types during the review process prior to final posting.**

44. Is there currently a method for identifying each agency's deposits (unique agency information in addenda for example)?

**The Treasurer assigns a ten-digit general ledger number, of which only the last four digits, which can include a leading zero, must be identified on the bank reports and bank import files.**

45. What balancing method is required for the accounting entries? Many ERPs require balancing by "Business Unit" and "Fund".

**This question is not applicable to this RFP. The Treasurer requires that no out of balance transactions are created.**

46. Do you have a listing of the IOC reports?

**Please see answer to question 7.**

47. Can you provide a list of the information in the "Security Master" table?

**Please see answer to question 18.**

48. How many sources of the trade information do you anticipate for import?

**Trade information will come from broker/dealers or electronic trading platforms with which the Treasurer contracts.**

49. Do you have any examples of the investment information that would require updating?

**Examples of investment information that may require updating include, but are not limited to the following: security description, CUSIP, broker/dealer, fund, bank, purchase date, maturity date, par value, interest rate, first coupon date, original cost, price, original purchased interest, safekeeper, interest basis, interest paid, interest at maturity, investment at maturity, all associated general ledger numbers, collateral, any partial sales, money market fund factors, floating rate/step-up indicator, float, rate, historical pricing and historical accrual table.**

50. Is this in addition to or instead of CUSIPs?

**The unique ID is an addition assigned if an industry standard CUSIP is not available.**

51. What type of collateral is this? Is this collateral held by a third party collateralizing deposits on bank accounts? Collateral held by the State of Illinois? Collateral provided by the state of Illinois?

**Collateral is held by the financial institutions with which the Treasurer contracts. Please see [illinoistreasurer.gov](http://illinoistreasurer.gov) for information involving acceptable collateral.**

52. Are assets the investments or are these other types of assets?

**Assets are investments in the scope of this RFP.**

53. Do you have a list of the legal and audit requirements?

**The investment pool is the State Investment portfolio, which includes the sub-portfolios Illinois Growth and Innovation Fund (“ILGIF”) and Student Investment Account. Please see [illinoistreasurer.gov](http://illinoistreasurer.gov) for State Investment Portfolio Investment Policy Statement with references to the applicable statutes and audit requirements.**

54. Is the system going to be used for tracking all the information about all State of Illinois bank accounts? (signers, open date, closed date, services on the account, etc.).

**The Treasurer desires a TMS that has the ability to manage bank accounts, however, it is not a requirement.**

55. Do you require the system to track information about lockboxes? (numbers, mailing addresses, usage, etc.)

**The Treasurer desires a TMS that has the ability to manage lockbox information, however, it is not a requirement.**

56. Do require any functionality associated with bank fee analysis?

**The Treasurer desires a TMS that has the ability to analyze banking fees as part of this project, however, it is not a requirement.**

57. How often to you perform mark to market accounting entries and do you use a single source for the market values?

**The Treasurer does not currently mark to market daily. Mark to market is only performed for financial statement purposes, and is not performed on live data. The Treasurer would like to view market data on a daily basis, without posting.**

58. Will the Treasurer's office be providing project management resources for this project?

**Yes, project management support would be dependent upon the Respondent's implementation approach and plan.**

59. What level of resources does the Treasurer's office anticipate providing for this project?

**Resources provided by the Treasurer are anticipated to include project management, development, and business subject matter expertise.**

60. Is the treasurer's office responsible for tracking "fund balances" for each of the state's funds?

**This is not in scope for this RFP.**

61. Does the treasurer's office have a local government investment pool that will be tracked within the system?

**This is not in scope for this RFP.**

62. Does the Treasurer track investments of bond proceeds and withdrawals for construction projects? i.e. a bond is issued to pay for construction of roads. The proceeds of the bonds are invited and then as the road project is in process, the proceeds are drawn out to fund the project expenses.

**This is not in scope for this RFP.**

63. Does the Treasurer perform reconciliations of bank accounts (payments, receipts, etc.) or is required to feed bank activity to another system for reconciliation purposes?

**Yes, a daily reconciliation of contracted banks and accounts is performed. Automatic bank reconciliation is desired.**

64. How many users are anticipated to be accessing the system? Are all anticipated users part of the Treasurer's office?

**Please see answer to question 26. All anticipated users work for the Treasurer, either as employees of the Treasurer or under contract.**

65. How many banks and accounts are anticipated to be in the system? Will all of these require accounting and funds transfers?

**There are currently seven (7) financial institutions with thirty-seven (37) accounts between them. Yes, there will be accounting and funds transfers, but not for all accounts on a daily basis.**

66. How many custody banks are used by the Treasurer?

**There are two custodians for the State portfolio.**

67. Current AUM (\$):

**The State portfolio balance is approximately \$14 to \$16 billion.**

68. Number of portfolios:

**One with two (2) sub-portfolios. Please see answer to question 19 for additional information on the sub-portfolios.**

69. Number of users:

**Please see the answer to question 26.**

70. Number of legal entities requiring regulatory reporting:

**One, the State of Illinois.**

71. Required reporting schedules for each legal entity:

**One.**

72. All Asset classes:

**This information is available in the Vault Data Portal on [illinoistreasurer.gov](http://illinoistreasurer.gov). These could change in the future based on changes to investment policy or statutory authority.**

73. Total positions and/or lots:

**Approximately 1,000 positions. The Treasurer's Office does not perform lot investments.**

74. Trade Volume:

**The Treasurer's Office engages in approximately 5 - 100 average daily trades.**

75. Accounting bases:

**Modified accrual.**

76. Required System integrations (G/L, Order Management Systems, data vendors, statement vendor, et al):

**Please see the answer to question 27.**

77. Performance/Attribution or Risk required? If yes for Risk which metrics are currently being used?

**These are not currently performed by the system. The Treasurer desires that TMS performs risk metrics, but it is not a requirement.**

78. Custodian(s):

**There are two custodians for the State portfolio.**

79. Report frequency (daily, weekly, monthly):

**Currently investments are only reported monthly, but the Treasurer seeks a system able to report daily and weekly as well.**

80. Deployment preference (SaaS, co-source, full outsource):

**Please see the answer to question 11.**

81. Comments (current pain points, areas of focus, etc.):

**Please see the RFP for a description of the required services. Note that the Treasurer seeks a modern platform that is user-friendly, offers more robust metrics and other features such as the ability to perform what-if scenarios.**

82. Investment Operational Schematics/Diagrams, please provide if available:

**At this time, operational schematics and diagrams will not be provided.**

83. Current vendors/systems used:

**Currently the Treasurer uses a custom developed application, modular TIS for electronic processing of banking and investment transactions.**

84. Can you please break down the number of Core vs Lite users needed?

**Please see the answer to question 26.**

85. Can you please provide a detailed breakdown of all interfaces needed between existing systems and the new TMS?

**Please see the answer to question 27.**

86. Are student investment accounts in-scope this round?

**Please see the answer to question 29.**

87. How does the Treasurer want us to provide feedback on the contractual terms that we don't agree to?

**Please see the answer to question 30.**

88. Will Debt Management be in scope for this RFP?

**Please see the answer to question 31.**

89. Will Funds, Appropriations, Receipts and Paid Warrants (FARP) be in scope for this RFP?

**Please see the answer to question 32.**

90. Will Risk Management be in scope for this RFP?

**Please see the answer to question 33.**

91. How many Investment transactions does the State manage on an annual basis? A list of instrument vehicles / types would also be appreciated.

**The Treasurer's Office manages approximately 1,000 - 2,000 daily transactions across the general ledger, including approximately 100 investment transactions. Please see [illinoistreasurer.gov](http://illinoistreasurer.gov) for the State Investments Portfolio Investment Policy Statement and the current assets.**

92. How many System Users does the State require?

**Please see the answer to question 26.**

93. Does the State require Single Sign-on functionality for System Access?

**No, the Treasurer does not require a single sign-on for system access, but would prefer it.**

94. We assume the State would prefer a cloud-based solution versus installed software?

**Correct, the Treasurer prefers a cloud-based solution.**

95. Whether companies from Outside USA can apply for this? (Like, from India or Canada)

**Companies outside the USA can submit proposals, however, to be considered responsive and responsible all Respondents must meet the mandatory requirements found in Section VI.A of the RFP and complete all necessary certification and disclosure forms.**

96. Whether we need to come over there for meetings?

**It is unclear what the word “there” is referring to in this question. The Treasurer is currently using Webex and Microsoft Teams in lieu of in-person meetings during the COVID-19 pandemic. When in-person meetings are no longer a COVID-19 concern, the Treasurer reserves the right to require in-person meetings at its discretion.**

97. Can we perform the tasks (related to RFP) outside USA? (Like from India or Canada)

**Any decision would need to be determined on a case by case basis after understanding the risks and liabilities associated with each task being performed outside the USA. A Respondent proposing to perform the services outside the USA must disclose what services, where the services would be performed, and why the Respondent is performing the services outside the USA.**