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| **BUREAU OF FISCAL SERVICES**  **Procurement Unit** |  |  |

**March 7, 2024**

**Request for Proposals (RFP) 23-103**

**Check 21 Services**

**Responses to Round One Bidder Questions and Amendment #1**

To All Potential Bidders:

Attached are the Department’s Responses to Round One Bidder Questions received for the above referenced RFP.

Additionally, the Department is issuing Amendment #1 as clarification to:

* Amend RFP Table 3.1
* Amend RFP Exhibit B, *Volumes*
* Amend Exhibit J, *Banking Services Schedules*

Corrected pages are attached to this document. All additions are made in blue text.

All other requirements and conditions remain as indicated in the RFP.

| **#** | **RFP** | | **QUESTION** | **DEPARTMENT RESPONSE** |
| --- | --- | --- | --- | --- |
| **SECTION** | **PG** |
| **1** | **2.2** | **14** | On average how many files does NYS send per day? | **In 2023, the Department sent approximately 12 Check 21 ICL files per Business Day.** |
| **2** | **2.2** | **14** | What time of day are the files usually sent? | **The files are usually sent between 7:00 AM and 12:30 PM ET. In rare instances, the Department may need to send a file after 12:30 PM ET.** |
| **3** | **2.2** | **14** | Please provide a percentage of items sent of the total days volume for each file. For example if 1000 items are sent each day what is the percentage of the 1000 items is sent in the first file, second file, etc. | **There is no identifiable trend. The order of the deposits changes based on numerous internal and external factors. The volume is higher during March and April peak dates (See RFP Exhibit D, *Peak Dates Calendar*).** |
| **4** | **Table 2.1 | #2.1** | **14** | How many ICL file transmissions do you expect to send each month? | **In 2023, the Department sent approximately 230 Check 21 ICL files per month. The Department expects this trend to continue.** |
| **5** | **Table 2.1 | #4.1** | **16** | How many manual deposits do you expect to submit each month? | **In 2023, the Department submitted approximately 40 Manual Deposits per month. Included in these Manual Deposits were approximately 95 deposit slips, broken out by tax type and account number. The total number of Original Checks included in these Manual Deposits was approximately 830.** |
| **6** | **2.5** | **52** | Would a link to our annual report or financial statements be acceptable? | **A link would be acceptable; however this information should not be submitted with your Proposal. The information will be requested by the Department from the Tentative Awardee upon Notification of Intent to Award.**  **As stated in RFP Section 6.2.3, “*The Department will conduct an evaluation of the financial stability of the entity(ies) that submitted the highest ranked Bid, as outlined in Section 2.5, Financial Stability Requirements.*”** |
| **7** | **Attachment 22** | **32** | Can you provide a breakdown of the Manual Deposits by checks drawn in USD, Canadian checks in USD and check drawn on banks other than the U.S. or Canada? | **The approximate breakdown is shown in the following table:**   |  |  | | --- | --- | | **US Check in USD** | **13%** | | **Canadian Banks in USD & Other Foreign Banks in USD** | **87%** | | **Foreign Check in Foreign Currency** | **0.2%** |   **Note: The Department is unable to provide a breakdown of Canadian Checks Drawn in USD and Other Foreign Checks Drawn in USD.** |
| **8** | **Attachment 22** | **32** | RFP 14-18 in 2015 included the following line items: Dishonorments, Deposit Corrections, Adjustment detail items – Electronic, Adjustment detail items – Manual and Wire Transfer Fee in the Attachment 17 – Financial Response Form. Would DTF consider adding those line items to Attachment 22 – Cost Proposal Requirements Response Form for this response? | **The Department declines to modify Attachment 22, *Cost Proposal Requirements Response Form*. The Department believes rolling up the ancillary fees referenced (Dishonorments, Deposit Corrections, Adjustment details and Wire Transfer or ACH) into one fully loaded Transaction Fee (one wholly inclusive fee for each of the two categories of Electronic Items and Manual Deposits on the Attachment 22) is beneficial to all parties as it simplifies the cost structure.**  **Additionally, the Department has issued Amendment #1 to clarify that Wire Transfer Fees are also to be included in the fully loaded Transaction Fee. Amendment #1 also provides volumes for Wire Transfers in amended Exhibit B, *Volumes* and provides a Wire Transfer Service Schedule in amended Exhibit J, *Banking Services Schedules*.**  **If the cost structure of this RFP would prohibit a potential Bidder from bidding, the Bidder should make the reason(s) for that known to the Department, by contacting one of the Designated Contacts, by the Deadline for Submission of Round Two of Bidder Questions outlined in the RFP Schedule of Events.** |
| **9** | **Section 5.2** | **77** | For FedEx delivery of proposal, please provide phone number for the Green Island address below:  90 Cohoes Avenue  Green Island, NY 12183 | **For delivery purposes, Green Island can be reached at 518-244-1900.** |

| **TABLE 3.1: COST PROPOSAL REQUIREMENTS AND RESPONSE** | | |
| --- | --- | --- |
|  |  | * Transmission of the electronic information concerning the check necessary for the Bank to deposit the check using electronic check clearing processes. * Transmission of data and images pertaining to any Adjustments, Dishonorments, Non-Conforming Images, Deposit corrections for electronically deposited checks. * Any additional fee that would be charged for any post deposit transfers (wire or ACH) made from State accounts, as may be directed by the State. |
| **2.2** | **Manual Deposits** | This fee must include all costs related to the processing of Original Checks which cannot be processed electronically. It must also include all costs related to transmission of data and images pertaining to any Adjustments, Dishonorments, Deposit corrections for Manually Deposited checks.  The fully loaded fee for Manual Deposits must also include any additional fee that would be charged for any post-deposit transfers (wire or ACH) made from State accounts, as may be directed by the State. |
| **2.3** | **Monthly ICL Transmission – Per Account** | This is a flat monthly fee that must include all costs related to support of the ICL Transmission for each bank account. |
| **2.4** | **Monthly Account Maintenance – Per Account** | This is a flat monthly fee that must include all costs related to the maintenance for each bank account. |
| **3.** | **OVERDRAFT INTEREST CHARGES** | |
| **3.1** | **Overdraft Interest Rate** | Bidder to propose the not-to-exceed overdraft interest rate above Fed Funds Rate. |
| **4.** | **MANUAL DEPOSITS ADDRESS** | |
| **4.1** | **Address Where Manual Deposits will be Received for Processing** | Bidder to provide the address to which the Department will deliver Manual Deposits for payment processing. |
| **5.** | **CHANGES**  Hourly rates for Changes must not include travel costs. Travel-related expenses associated with Changes shall be reimbursed in accordance with the NYS Office of State Comptroller guidelines for travel-related expenses:  <https://www.osc.state.ny.us/state-agencies/travel> | |
| **5.1** | **Project Management: Indicate the hourly/per person rate for project management services associated with Changes.** | |
| **5.1.A** | **Project Manager:**   * Oversee projects comprised of multiple deliverables and/or phases. * Delegate and coordinate tasks. | |

**Exhibit B – Volumes**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Tax Application Bank Accounts** | **Electronic Payments** | **Manual** | **ICL Transmission**  **Per Account** | **Account Maintenance Fee**  **Per Account** | **Dishonorments** | **Adjustment Detail items** | **Wire Transfers** |
| **Highway Use Tax** | **35,163** | **8,953** | **12** | **12** | **104** | **0** | **117** |
| **Real Estate Transfer Tax** | **19,889** | **215** | **12** | **12** | **16** | **16** | **217** |
| **Corporation Tax**  **(Return, Voucher, and Wireless Communications Surcharge)** | **121,784** | **1,371** | **12** | **12** | **660** | **659** | **215** |
| **Personal Income Tax and Limited Liability Company** | **191,775** | **954** | **12** | **12** | **986** | **986** | **238** |
| **Sales Tax** | **69,149** | **612** | **12** | **12** | **552** | **552** | **248** |
| **Check to Debit Exchange Account** | **5** | **0** | **12** | **12** | **0** | **0** | **0** |
| **Estate Tax** | **1,121** | **26** | **12** | **12** | **7** | **0** | **211** |
| **Total Estimated Volume Per Fiscal Year** | **438,886** | **12,131** | **84** | **84** | **2,325** | **2,216** | **1,246** |

**Exhibit J – Banking Services Schedules**

* + - Schedule 1 -- ACH Debit Protection– Electronic Payment Authorization Services
    - Schedule 2 -- Electronic and Manual Items Processing Services Schedule
    - Schedule 3 – Wire Transfer Service Schedule

**Schedule 1**

**ACH DEBIT PROTECTION– ELECTRONIC PAYMENT AUTHORIZATION SERVICES**

**Nothing contained herein shall be construed to vary the terms of RFP 23-103 and/or the Base Contract.**

The State and the Bank agree to the terms and conditions below:

1. **Protected Account.**

The State shall designate one or more of its accounts at the Bank with respect to which Bank shall provide the Automated Clearing House (“ACH”) protection services. Each such account shall hereinafter be referred to as a "Protected Account."

1. **ACH Protection Services**.

With respect to each Protected Account, the Bank shall provide the State with the ability to immediately trigger one of the following protections, as selected by the State:

* 1. The ability of the State to reject all ACH debit entries; or
  2. The ability of the State to reject all ACH debit entries except those that meet the criteria specified by the State.

The Bank shall provide to the State, as prescribed by the State a rejected entries report for every transaction on any day that has activity. Entries are any monetary or non-monetary debit or credit origination submitted pursuant to Nacha Operating Rules and Guidelines.

The State shall:

1. Provide the information requested by the Bank regarding the ACH protection service being selected for each Protected Account in such format as prescribed by the Bank; and
2. Indicate the effective date or dates for the ACH protection service.
3. **Subsequent Instructions**.

Following the initial delivery of Set-Up Instructions to the Bank in accordance with Section 4 below, the State may deliver to the Bank additional subsequent instructions ("Subsequent Instructions"):

1. In writing on a data sheet form, signed by one or more State Administrator or
2. Electronically through a secure or encrypted computer-to-computer transmission.

The Bank shall have a reasonable time to implement any Subsequent Instructions received. The State shall designate in the Set-Up Instructions the method it intends to use to deliver Subsequent Instructions to the Bank.

1. **Genuineness of Instructions**.

The State confirms that it has in place sufficient internal safeguards to prevent fraudulent Set-Up Instructions and/or Subsequent Instructions (collectively, "Instructions") from being generated.

1. **Return of ACH Debit Entries**.

The Bank shall return to the originating financial institution ACH debit entries in accordance with the Instructions (using an ACH return code that indicates the entry is unauthorized) within the time period allowed by the applicable Nacha ACH Operating Rules and Guidelines, as in effect from time to time.

1. **State Information**.

The State understands and acknowledges that, in order for the Bank to perform the Services hereunder, the State must provide all required information, including, the Instructions, in a timely manner, and such information must be accurate and complete. In the event that any such information is not timely, accurate and/or complete, the Bank may be unable to reject an entry in accordance with the Instructions, this Schedule or any related documents. The parties shall mutually agree in advance as to what constitutes “timely manner.”

**7.** **Account Documentation.**

The State will execute and deliver to the Bank such account documentation (e.g., State Authorization Form) as the parties deem necessary. The State agrees promptly to notify the Bank of any changes to any information presented in such documentation.

**Schedule 2**

**ELECTRONIC AND MANUAL ITEM(S) PROCESSING SERVICES SCHEDULE**

**Nothing contained herein shall be construed to vary the terms of RFP 23-103 and/or the Base Contract.**

The State and the Bank agree to the terms and conditions below:

1. **DEFINITIONS.**

Definitions of terms for purposes of this Schedule 2 are as follows:

* 1. "Bank" shall mean the Contractor awarded the Contract under RFP- 23-103.
  2. “MICR” shall mean magnetic ink character recognition.
  3. “Original Check” shall mean the first paper check issued with respect to a particular payment transaction.
  4. “Electronic Item(s)” shall mean an Original Check that has been converted to an electronic image (front and back) of the Original Check, along with the electronic information concerning the check necessary for the Bank to process the check for deposit using electronic check clearing processes and which is transmitted to the Bank via ICL File transmission.
  5. “Image Cash Letter (ICL) File” shall mean the electronic file containing Electronic Items presented by DTF to the Contractor for the processing of payments in a standardized format.
  6. “Manual Deposit” shall mean the processing of payments (e.g., Original Checks) which cannot be processed electronically.
  7. “Manual Items” shall mean Original Checks presented by DTF to the Contractor for deposit and payment processing because they cannot be cleared electronically (e.g., Non-Conforming Images, or Foreign Checks).
  8. “Truncate” or “Truncation” shall mean to remove an Original Check from the forward collection and payment process and send to the Contractor, in lieu of such Original Check, electronic information relating to the Original Check (data taken from the MICR line of the Original Check; and an electronic image of the Original Check).
  9. “Electronic and Manual Item(s) Processing Services” shall mean the banking services to be provided pursuant to this Schedule whereby: (1) with respect to Electronic Item(s), the State will create ICL Files of Electronic Items (check data and image files) from Original Checks, to be transmitted to the Contractor for deposit and collection; and (2) with respect to Manual Item(s), the State will deliver Original Checks to the Contractor for deposit and collection. Electronic and Manual Items Processing Services are together referred to in this Schedule 2 as “the Check Processing Services.”
  10. “Service Instruction(s)” shall mean any requirements or i**n**struction by the State that covers any of the Check Processing Services being provided.
  11. “Substitute Check” has the meaning given by Check 21.

1. **ACCOUNT DOCUMENTATION.**

The State will execute and deliver to the Bank such account documentation (e.g., State Authorization Form) as the parties deem necessary. The State agrees promptly to notify the Bank of any changes to any information presented in such documentation.

1. **THE STATE'S RECORDS AND MEDIA.**

Prior to the implementation of the Check Processing Service(s), the State agrees to provide to the Bank all records and data processing media necessary to perform the Check Processing Service(s). The records will be legible, correct, complete, and in the format specified in RFP 23-103, and any Service Instructions provided by the State or agreed to by the parties. Checks presented as Electronic Items will be MICR encoded according to agreed specifications. The Bank, in consultation with the State, will determine the adequacy of the information and the format in which it is submitted.

1. **Designated Accounts.**

The State shall designate one or more deposit accounts at the Bank (collectively, the "Account") with respect to which the Check Processing Services shall apply. The number and title of each Account and any special instructions are set forth in Set-Up Instructions completed between the parties as may be amended in writing, signed by the parties, from time to time. Each new account shall be designated in a new Set-up Instruction. In order for the Bank to perform the Check Processing Services hereunder, the State must provide all information required by the Bank, and such information must be accurate and complete. In the event that any such information is not timely, accurate or complete, the Bank may be unable to process an Electronic or Manual Item.

1. **Responsibilities of the State.**

A. The State shall truncate those one or more Original Checks that the State has received for payment or deposit and which the State has selected for truncation. The State shall create ICL Files containing such truncated Original Checks (collectively, "Electronic Items") and shall transmit such ICL Files to the Bank. Original Checks which cannot be deposited as Electronic Items (e.g., Foreign Checks or truncated checks resulting in Non-Conforming Images) shall be presented by the State to the Contractor for Manual Deposit.

B. After truncation of an Original Check, the State shall safeguard the Electronic Items and Original Checks identified in any ICL File previously sent to the Bank in order to assure that such Original Checks and Electronic Items: (i) shall not be submitted for deposit with the Bank or any other financial institution, unless necessary, which shall be a determination made by the State in its sole discretion, but such discretion shall not be unreasonably exercised, and the State will provide notice of such exercise of discretion to the Bank, and (ii) shall not be transferred for value to any other person or other entity, and (iii) will be responsible for complying with image forwarding requirements under the Check Clearing for the 21st Century Act (Public Law 108-100).

C. The State shall retain and securely store all Original Checks truncated for a minimum period of 30 calendar days, after which time the State may destroy such Original Checks; the State agrees that such retention and destruction shall be carried out in a reasonable manner. The State may maintain copies of ICL Files or Electronic Items.

D. The State shall not knowingly truncate nor create an ICL File under this Agreement for:

(i). Any Foreign Checks, drafts or other items drawn on any financial institution that is not located in any State (as defined in Regulation CC) in the U.S.A. (including certain designated U.S. Territories that are included as States),

(ii). Any automated clearing house (ACH) entry subject to the rules of the National Automated Clearing House Association (the "Rules"),

(iii). Any Substitute Check created by the Bank or any other person or other entity except as provided for redeposit of a returned check or returned Electronic Item,

(iv). U.S. savings bonds, and

(v). Other items that are not eligible for check image collection and presentment under applicable law.

E. For all purposes under this Schedule 2, any other agreements with the Bank relating to the Account, and the application of applicable law to the Check Processing Services provided hereunder, an Electronic Item shall be deemed to be a "check" and/or an "item" as such terms are used and defined in the Uniform Commercial Code, the Expedited Funds Availability Act, Regulation CC and Regulation J of the Federal Reserve Board and other applicable check law and rules to the same extent that the Original Check is a check and/or an item.

F. The State agrees to pay the Bank for the amount of any claims for Adjustments reasonably accepted by the Bank, for any Manual Items or Electronic Items which the Bank has previously credited to the State’s account. Such amounts will be charged as adjustments to the State’s account. Such payment will be in accord with the Agreement and the pricing set forth in the Contractor’s Proposal submitted in response to RFP 23-103.

1. **Services; Responsibilities of Bank.**

A. The Bank shall accept for deposit at the Bank's designated location(s) all Manual Items and ICL Files containing Electronic Items transmitted by the State, which are acceptable as agreed to by the parties or otherwise qualify based on criteria selected by the parties from time to time. The Bank shall process such Electronic Items, either as electronic image exchange items or as Substitute Checks, for forward collection and presentment for payment by the paying bank, subject to applicable laws and regulations and clearinghouse rules. ICL Files will be deemed received by the Bank when the State has received an electronic acknowledgement file from the Bank, as required by RFP 23-103.

B. Electronic Items received by Bank before Bank's cut-off time, as mutually agreed to by the parties, but not inconsistent with the provisions of the RFP, and/or the Proposal when applicable, shall be posted to the State's Account for settlement that Banking Day. Manual Items are processed as set forth in RFP 23-103. The Bank will make a deposit to the Account available for withdrawal as prescribed in RFP 23-103.

**7. Security Procedures.**

A. When an ICL File is transmitted to the Bank, its authenticity will be confirmed by the State prior to transmission pursuant to the security procedure mutually agreed upon by the State and the Bank. The State agrees that the security procedures selected are reasonable for the State.

B. The State shall at all times maintain safeguards and security procedures to prevent unauthorized or fraudulent Set-Up Instructions and fraudulent or unauthorized ICL Files or Electronic Items. The State shall establish procedures that ensure deposits are made only by those employees authorized to do so.

C. Security or operational procedures for the detection of State errors in creating any Electronic Item or ICL File are not provided by the Bank.

**Schedule 3**

# WIRE TRANSFER SERVICE SCHEDULE

**Nothing contained herein shall be construed to vary the terms of RFP 23-103 and/or the Base Contract.**

**WIRE TRANSFER SERVICE SCHEDULE** The State has decided to use the Wire Transfer Services described below and Bank agrees to provide the Wire Transfer Service as stated herein. The State and Bank agree that the fully loaded fees in the fee schedule, included as Attachment 22 to RFP 23-103, and incorporated herein and made a part hereof, constitutes good and valuable consideration for the Wire Transfer Service to be provided hereunder.The State and the Bank agree to the terms and conditions below:

1. **Service.**

The Bank provides the State with access to a Wire Transfer Service which enables the State to transfer available funds from Accounts at the Bank as stated herein. The parties agree to be legally bound by the following terms and conditions each time that the Wire Transfer Service is utilized. “Account(s)” shall mean any bank account statutorily subject to State authorization.

1. **Wire Transfer Authorizations.**

Notwithstanding any provision in herein to the contrary all wire transfers shall be subject to the following:

1. The authority of any designee of the State may be established by the State. Without limiting the generality of the foregoing, the State hereby authorizes each of the persons listed on the State Authorization Form (each herein called an "Authorized Representative"), and any person who may be added to the State Authorization Form by amendment thereof, to issue or authorize to be issued requests, instructions, and payment orders, including any cancellation or amendment thereof, in the name and on behalf of the State, given by written communication, for or relating to any funds transfer from or into any Account or Accounts. The Bank may rely on the authorization set forth in the prior sentence with respect to any Authorized Representative until the Bank has received a proposed amended State Authorization Form removing such person as an Authorized Representative, which shall be effective immediately upon notice. Any Amendment to the State Authorization Form may be signed by any person who executed the State Authorization Form or by any other person whose authority to do so has been established to the Bank's satisfaction. The State may hand deliver any proposed amended State Authorization Form to the Bank.
2. The State requests the Bank to transfer funds from Account(s) whether such accounts are at the Bank or another financial institution, and to any Account of a third party specified by the State, whether such third party account(s) is at the Bank or another financial institution.
3. The State requests the Bank to effect funds transfers based upon pre-determined repetitive transfer instructions described in any Repetitive Transfer Schedule agreed upon by the State and the Bank and executed in the name of the State and filed with the Bank ("Repetitive Transfers"). Such instructions cover pre-authorized transfers of a repetitive nature (those in which transfer debit and credit parties remain the same; date and dollar amount may be variable).
4. **Security Procedures.**
5. When a payment order issued in the name of the State is transmitted directly to the Bank, its authenticity will be verified pursuant to the security procedure chosen by the State. Where Repetitive Transfers are requested, such initial request and any proposed modification to the Repetitive Transfer Schedule will be verified in accordance with such security procedures.
6. The State agrees that the security procedures chosen by the State are reasonable for the State. The State shall be bound by any payment order issued in its name and accepted by the Bank in compliance with such security procedures. To the extent that the State fails to follow the security procedure(s), the State shall be deemed to have refused such security procedure(s) in such instance.
7. The Bank must assign a unique ID and Password or a unique Personal Identification Number (PIN) for each of the State's Administrators. The State shall be responsible for transmitting the unique identifier to the appropriate Administrator and for assuring that it is not made known to any person other than the Administrator by whom it is intended to be used. The State shall maintain the unique identifiers in strictest confidence and take security measures sufficient to assure that they are not used to facilitate unauthorized transactions.
8. State Administrators will be designated by the State.
9. If applicable, the Bank may assign to each Authorized User an identification number ("User ID"), a temporary Password, and require user to register a digital certificate which will enable the State to initiate payment orders by personal computer through the Internet. The State shall change the initial assigned Password immediately. Each user shall maintain his/her own unique User ID and Password. The State shall exercise reasonable care in determining when changes in the Password shall be made. If applicable, the State shall be responsible for terminating an Authorized User's access. The State has the option to require another authorized individual to approve or cancel a transfer request before it is released.
10. With the State’s consent, which shall not be unreasonably withheld, the Bank may require the use of a user authentication device for each of the State's Administrators as designated in the State Authorization Form. The State shall be responsible for transmitting the user authentication device to the appropriate Administrators. The State shall maintain the user authentication device in strictest confidence and take security measures sufficient to assure that it is not used to facilitate unauthorized transactions.
11. **Inconsistencies Between Names and Numbers.**

If an identifying or bank account number provided in a payment order issued in the name of the State identifies a person different from the beneficiary named in the payment order, or if the words and numbers set forth in a payment order are otherwise inconsistent, the State understands that execution or payment of the payment order might be made by the Bank, another beneficiary's bank, or any other person on the basis of identifying number, or bank account number, rather than on the basis of the name or words. If a payment order identifies an intermediary bank or the beneficiary's bank both by name and an identifying number and the name and number identify different persons, the State understands that the Bank, another receiving bank, or any other person might rely on the number as the proper identification of the intermediary or beneficiary's bank even if it identifies a person different from the Bank identified by name. The Bank shall not, for any purpose, be deemed to know that an account identifying number in a payment order does not identify or match the person or words intended to be identified or otherwise set forth therein unless the officer or employee of the Bank who receives or accepts the payment order has actual knowledge and awareness of the contents of the payment order and the fact that a discrepancy exists.

1. **Execution, Rejection and Payment of Payment Orders.**

The payment order may be rejected by operation of law. If a payment order is rejected, the Bank shall notify the State via telephone immediately, such telephone contact to be followed up in writing, preferably by email. The notice shall be effective when given.

1. **Execution Date.**

The State shall not issue a payment order instructing execution or payment on a Banking Day later than the day the wire transfer is received by the Bank unless the Bank agrees to accept such wire transfer.

A “Banking Day" shall mean any day on which the ACH and the main office of the Bank are both open for business, but shall not include any Saturday, Sunday, or holiday.

1. **Cut-Off Hours.**

Format requirements and cut-off hours for wire transfers and payment orders may be established by the parties. Payment orders received after such cut-off hours may be treated by the Bank for all purposes as having been received on the following Banking Day.

1. **Provisionality of Credits.**

While an Account may be credited in the amount of an incoming payment order, such crediting shall be subject to receipt of final settlement by the Bank and any cancellation effected or agreed to by the parties. Nothing in this section shall limit any rights the State may have relating to overdraft protection.

1. **Cancellation and Amendment.**

Any request to cancel or amend a payment order must be received by the Bank, on or before the Banking Day on which the payment order is to be executed.

1. **Report of Discrepancies in Payment Orders.**

Within ninety (90) days after the date the State receives notification from the Bank, whether by advice, confirmation, statement or otherwise, or the Bank makes such notification available to the State, whether by computer link or otherwise, that a payment order in the name of the State was accepted by the Bank or Account was debited or credited with respect to a payment order, or within ninety (90) days of any earlier date upon which the State has notice from another source of execution, payment, non-execution, or non-payment by the Bank or any other party of any payment order issued in the name of or paid to the Account, the State must notify the Bank of the relevant facts regarding any unauthorized or erroneous payment order, any discrepancy reflected in such notification or notice, and any right of a refund.

1. **Recording.**

The Bank may, but shall not be obligated to, tape or otherwise record telephone conversations between the Bank and the State. The Bank shall notify the State prior to the destruction of any such recordings.