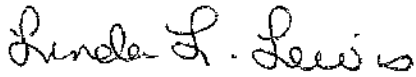
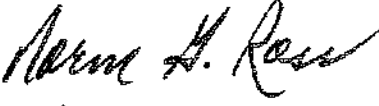


THE SCHOOL DISTRICT OF ESCAMBIA COUNTY Finance and Business Services		SCHOOL BOARD AGENDA EXECUTIVE SUMMARY	
AGENDA DATE: September 21, 2010		ITEM NUMBER: V.B.9.	
AGENDA REFERENCE: Chase Payroll Card Program- Client Service Agreement		FISCAL IMPACT / AMOUNT: N/A	
FUND SOURCE: n/a			
BACKGROUND INFORMATION / DESCRIPTION: Request approval of the Chase Payroll Card Program-Client Service Agreement. The Payroll Card Program will enhance the current District Direct Deposit program by offering an alternative payment method to employees who are unable to obtain a bank account or others not currently enrolled in the mandatory Direct Deposit Program.			
EDUCATIONAL IMPACT: n/a			
OTHER REFERENCES OR NOTES: n/a			
ACTION REQUIRED: Approval of Chase Payroll Card Program-Client Service Agreement.			
STRATEGIC ALIGNMENT			
GOAL: E. 2: Efficiency: Improve efficiency in the learning, work, and virtual/technological environment			
OBJECTIVE: n/a			
REQUESTED BY		DATE	
 Linda L. Lewis Payroll and Benefits Accounting ASSISTANT SUPERINTENDENT		September 8, 2010	
 Norm Ross Deputy Superintendent		DATE	DATE OF BOARD APPROVAL
		September 8, 2010	9-21-10

**CHASE PAYROLL CARD PROGRAM -  
CLIENT SERVICE AGREEMENT**

This Chase Payroll Card Program Client Service Agreement ("Agreement") is entered into as of the 21<sup>st</sup> day of September, 2010 ("Effective date") by and between the Escambia County School Board (the "Client"), having a place of business at 75 North Pace Blvd, Pensacola, Florida 32505 and JPMorgan Chase Bank, NA, a national banking association organized under the laws of the United States ("Chase"), having a place of business at 1 Chase Manhattan Plaza, New York, New York 10081.

**WHEREAS**, the Client desires to offer individuals an alternative to receiving pay or other disbursements by check or cash; and

**WHEREAS**, Chase offers a program ("Program") to entities whereby individuals ("Individuals") can have certain disbursements deposited to an account (a "Chase Payroll Card Account") at Chase; and

**WHEREAS**, from that account Individuals can withdraw funds at their convenience through use of a debit card (a "Chase Payroll Card") which can be used at automated teller machines ("ATMs") and at point of sale ("POS") terminals; and

**WHEREAS**, the Client desires to offer the Program to qualifying Individuals, and Chase is willing to provide the Program to the Client upon the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises and of the mutual consideration set forth herein, the parties hereto agree as follows:

**1. Cardholder Enrollment and Chase Payroll Cards.**

(a) Chase will require each Individual desiring to participate in the Program to be enrolled by the Client in a manner consistent with Chase policy ("Enrollment") and to receive a copy of the Cardholder Terms and Conditions ("Terms & Conditions"). Chase shall not accept any deposit of payments ("Entries") by the Client to a Chase Payroll Card Account of any Individual prior to accepting an Enrollment.

(b) Upon receipt and acceptance by Chase of the Enrollment, the Individual shall be deemed enrolled in the Program (a "Cardholder"). Chase shall open a Chase Payroll Card Account in the Cardholder's name and issue a Chase Payroll Card to the Cardholder. The Chase Payroll Card will give the Cardholder electronic access to his or her Chase Payroll Card Account, as described in the attached Schedule of Fees and Services ("Attachment A").

(c) The Client shall send funds to be deposited to the Chase Payroll Card Accounts. Chase shall place such funds in the designated Chase Payroll Card Account. The Client shall instruct Chase, in a manner that the Client and Chase agree upon, regarding how to deposit funds to the Chase Payroll Card Accounts.

(d) The Client shall coordinate between Chase and the Cardholders all matters related to enrollment in the Program.

(e) Chase will issue all necessary new and replacement Chase Payroll Cards to the Cardholders, in such form as Chase determines, and with such ATM, POS and other marks or logos on them as Chase determines. Chase may change its affiliation with any ATM or POS networks at any time. In the event that it does so, however, Chase shall not be obligated to issue replacement Chase Payroll Cards to then-existing Cardholders.

(f) In the event that any Cardholder terminates his or her participation in the Program or such Cardholder's participation is terminated for any reason, the Client will cease funding the Chase Payroll Card Account for that Cardholder. The Cardholder shall continue to have access to

his or her funds in the Chase Payroll Card Account until the funds are depleted or the Chase Payroll Card Account is closed. The Cardholder may instruct Chase to close his or her Chase Payroll Card Account and return his or her funds by check.

(g) If a Cardholder's Chase Payroll Card Account has a negative balance or overdraft, Chase shall apply the next available deposit to the Cardholder's Chase Payroll Card Account to recover such overdrawn funds, if such deposit occurs. The Client shall not be responsible for the amount of any overdraft in any Chase Payroll Card Account, or for losses that result from fraud or from lost or stolen Chase Payroll Cards, except to the extent that the Client's security administrator causes such overdrafts or losses.

(h) The Client shall be bound by and comply with this Agreement and applicable state and federal laws and regulations and the National Automated Clearing House Association rules ("NACHA Rules"), to the extent that the NACHA Rules are applicable (collectively, the "Rules").

## **2. Credit of Entries to Chase Card Accounts.**

(a) The Client shall fund the Chase Payroll Card Accounts by sending funds by a method mutually agreed upon by the Client and Chase.

(b) In the event that the Client fails to deliver, in a timely manner or otherwise, the Entries to its Originating Depository Financial Institution ("ODFI"), or otherwise fails to deliver, in a timely manner or otherwise, funds to Chase, the Client shall be solely responsible for notifying its Cardholders that funds may not be credited to their Chase Payroll Card Accounts until the Entries are received and fully reconciled as set forth in the Rules.

(c) Subject to the terms and conditions of this Agreement, the Rules, and the respective Terms & Conditions, Chase will credit the designated Chase Payroll Card Account in the amount of each corresponding Entry received by Chase. Chase shall have no liability for failure to effect credit to the Chase Payroll Card Accounts due to the failure of the Client, the ODFI or its Automated Clearing House ("ACH") to deliver those Entries to Chase.

(d) Chase may reject any Entries received on behalf of the Client. The Client shall have no right to reverse an Entry after Chase has received such Entry, except in accordance with applicable Rules.

## **3. Correction of Errors.**

(a) Chase will use commercially reasonable efforts to act upon the Client's request to cancel or amend an Entry. If the Client exercises its rights under the NACHA Rules other than for duplications or errors, then, to the extent allowed by applicable federal or state laws, the Client shall remain liable to Chase, which may seek immediate payment from the Client, for any Entries already credited to a Chase Payroll Card Account.

(b) Chase, at its expense, shall correct any errors due primarily to malfunctions of its equipment or to acts of omission or commission of Chase's personnel or failure of its software. The Client agrees to promptly notify Chase of the error but in any event not later than thirty (30) days after such error first comes to the attention of the Client. If such notification is made orally, the Client must send a written confirmation to Chase within five (5) days.

**4. Client Warranties.** The Client warrants that barring error, each Entry shall be for an amount (i) due to the Cardholder and not subject to any claims by the Client or (ii) duly authorized to be disbursed to the Cardholder. If the Chase Payroll Card is used for the payment of wages, the Client further warrants that it is in compliance with all applicable Rules governing the payment of wages, and it complies with Section 6 below.

**5. Chase Warranties.** Chase warrants that it will perform its obligations under this Agreement in a professional manner.

**6. Individual Validation.** The Client certifies that Individuals have completed and complied with all appropriate Enrollments and associated procedures, and that the Client has verified each Individual's identification. Chase has the right to audit Cardholder files for purposes of verifying how the Client conducted the identity verification.

**7. Limitations on Damages.** Neither Chase nor the Client shall be liable (no matter what the cause of action) for any indirect, special or consequential damages of any kind, even in the event that it is advised of the possibility that such damages may arise, occur or result. Chase's liability to the Client for direct damages shall be limited solely to actions in which Chase has acted with gross negligence or willful misconduct.

**8. Back-Up of Data.** The Client agrees to maintain adequate records of the Entries delivered to Chase to enable the Client to regenerate any of the information supplied by the Client to Chase.

**9. Force Majeure.**

(a) Chase undertakes to use commercially reasonable efforts to help assure the continued delivery of services under this Agreement in the event of any unplanned interruption of the operations of or the inaccessibility of Chase's primary facilities for the delivery of services hereunder due to any cause, such as those set forth in Paragraph (b) below.

(b) Notwithstanding the undertakings in Paragraph (a) above, neither Chase nor the Client shall be responsible for any errors, delays or nonperformance due to events beyond its commercially reasonable control, including, but not limited to acts of God; failure, delay or unavailability of power, communications or transportation; changes in law or regulation or other acts of governmental authority; strike; or weather conditions.

**10. Confidentiality.**

(a) Chase shall treat all information and data received from the Client, the Cardholder or any third party with regard to a Cardholder as confidential and shall use reasonable care to safeguard all such information.

(b) Neither Chase nor the Client may, except as required by the Rules or applicable federal or state laws, disclose any confidential information of the other party (or, if Chase, of the Client's Cardholders), without the prior written approval of such party, provided that in the event of a planned disclosure under the Rules, the disclosing party shall notify the other party as promptly as possible and cooperate with that party (at that party's expense) in protecting the confidential information from disclosure.

(c) Chase's and the Client's obligations hereunder shall survive the termination or expiration of this Agreement.

**11. Publicity and Marketing Material.**

(a) Neither Chase nor the Client shall make any advertising or promotional use of any name, logo or trademark of the other without the prior written consent of the other. "Advertising or promotional use" includes but is not limited to the use of a party's name on a customer or reference list.

(b) The Client shall not disclose or distribute any materials related to the Program to any Individuals, Cardholders or others without the prior written consent of Chase.

**12. Financial Records.** Unless the Client is publicly traded, it will produce or allow Chase to inspect financial data reasonably relating to the financial condition of the Client within a reasonable time after the request of Chase.

**13. Fees.** The Client agrees to pay Chase for its services rendered in accordance with the Fee Schedule in Attachment A. Chase will also charge the Cardholders for its services rendered in accordance with the Fee Schedule in Attachment A, which Chase may change with no less than thirty (30) days notice to the Cardholder and to the Client, except that Chase may not change the fees within the first twelve months from the Effective Date of the Agreement.

**14. Term and Termination.**

(a) The term of this Agreement shall run from the Effective Date written above and shall remain in effect until either party gives the other party at least ninety (90) days' written notice of termination.

(b) Notwithstanding the foregoing or any other provision of this Agreement, either Chase or the Client may terminate this Agreement immediately, without notice, in the event that (i) the other materially breaches any of its material obligations under this Agreement; (ii) a bankruptcy, reorganization, receivership, insolvency or other similar proceeding for the arrangement of such party's obligations is instituted by the other, or involuntarily against the other and is not dismissed within ninety (90) days; (iii) the other is unable to pay its debts as they become due or admits in writing its inability to pay its debts generally; or (iv) the other becomes subject to any statutory, administrative or court order or other official action which prevents it from continuing to provide or receive (respectively) Program services in the manner contemplated hereby.

**15. Notice.** Any notice required or permitted under this Agreement shall be in writing. Each such notice shall be effective when delivered by hand or, if mailed, shall be mailed postage prepaid, return receipt requested, and shall be effective when received. Each such notice shall be addressed or delivered,

if to the Client, at:

Escambia County School Board  
75 North Pace Blvd.  
Pensacola, Florida 32502  
Attn: Linda Lewis

or, if to Chase, at:

JPMorgan Chase  
300 South Riverside Plaza, IL1-0092  
Chicago, Illinois 60606  
Attn: Neil Dugan

or at such other address as Chase or the Client shall specify in a notice to the other in accordance herewith.

**16. Miscellaneous.**

(a) This Agreement is binding upon Chase, the Client and their respective successors and permitted assigns. Neither Chase nor the Client may assign this Agreement in whole or in part without the prior written consent of the other, except that Chase may assign this Agreement to another financial institution upon written notice to the Client and at its own expense. Either Chase or the Client may assign this Agreement to any affiliate upon written notice to the other.

(b) Either Chase or the Client may delay or forego exercising any of its rights under this Agreement without waiving any of its rights.

(c) If any part or parts of this Agreement are held to be invalid, the remaining parts of this Agreement shall continue to be valid and enforceable.

(d) This Agreement and performance hereunder shall be governed by and construed in accordance with the laws of the State of New York without regard to the choice of law provisions thereof.

(e) This Agreement represents the complete and exclusive statement of the agreement between Chase and the Client with respect to the subject matter of this Agreement and supersedes any prior understanding between them with respect to such subject matter. This Agreement may not be modified or altered except by a written instrument duly executed by both Chase and the Client.

**IN WITNESS WHEREOF**, Chase and the Client have caused this Agreement to be executed by their duly authorized representatives on the date or dates set forth above.

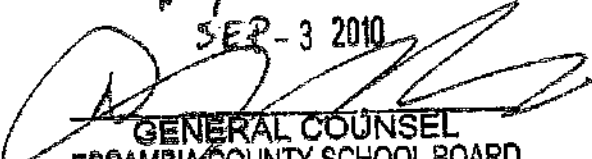
**JPMORGAN CHASE BANK, NA**

By: \_\_\_\_\_  
(Authorized Signature)  
Printed Name: Gerald W. Boone  
Title: School Board Chair  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Authorized Signature)  
Printed Name: Jan Konigsberg  
Title: Vice President  
Date: \_\_\_\_\_

Attest:  
By:  
Printed Name: Malcolm Thomas  
Title: Superintendent of Schools  
Date: \_\_\_\_\_

**APPROVED FOR LEGAL CONTENT**  
FOR Sept 2010 AGENDA

SEP - 3 2010  
  
**GENERAL COUNSEL**  
**ESCAMBIA COUNTY SCHOOL BOARD**

## ATTACHMENT A

### SCHEDULE OF FEES AND SERVICES

**Program Description:** Payroll card program for the Client's employees who choose to receive their pay and/or other receipts via the Chase Payroll Card.

**Enrollment Method:** The Client will enroll Cardholders in the program via Web or batch enrollment.

#### Card Attributes:

- Currency of Issue - US Dollar
- Card Type - Primary and Additional Cards: The Cardholder will have access to the funds in the Chase Card Account through his or her Chase Payroll Card and may authorize an additional cardholder with access to all available funds in the Chase Card Account (collectively "Primary Cardholder"). Primary and additional cards expire three (3) years from date of issuance.
- Card Design – Standard Chase Payroll Card with acceptance marks on front and back of card.
- Card Acceptance – Primary Cardholder may access funds by using his or her Chase Payroll Card for signature-based transactions at participating Visa® retail locations and for PIN-based transactions at participating retail locations and Automated Teller Machines (ATMs). Primary Cardholder may also use his or her Chase Payroll Card to access funds surcharge-free at ATMs displaying the Chase and Allpoint™ logos. Primary Cardholders may request cash back through PIN-based transactions at participating retail locations and obtain cash advances at participating Visa member bank branches.
- Card Package – Primary Cardholder will receive the Chase Payroll Card, Card Carrier, Terms & Conditions and Cardholder Guide.

**Activation Process:** Primary Cardholder can activate his or her card via Chase's toll-free customer service number or by first use of his or her PIN (for replacement cards after the first card has been activated).

**Statements:** Primary Cardholder will have access to monthly statements of his or her activity by Web or telephone. Mailed statements will be provided to Cardholders at a cost upon Cardholder's request. Statements may not be provided if a Chase Card Account is inactive.

**Customer Service:** Primary Cardholder may obtain Chase Payroll Card Account balance information, transaction history, PIN services, lost or stolen card assistance, and initiate transaction claims via the Web or by calling Chase's toll-free customer service number - 24 hours a day (866-354-0992), 7 days a week. If a Chase Payroll Card is lost or stolen, Primary Cardholder can mitigate his or her fund losses due to fraud by calling Chase immediately.

**Chase Payroll Card Account and Card Fee Schedule: Escambia County**

There are no fees charged to the Employer

TYPE OF SERVICE FEE PAID	FEE AMOUNT	COMMENTS
<b>Fees Paid by Cardholder/Employee</b>		
Monthly Account Maintenance	Waived	Monthly Per Cardholder
Over the Counter withdrawal At Bank	1 free per deposit, \$5.00 thereafter	This gives the cardholder access to 100% of their funds.
Domestic ATM Withdrawal*	1 free per deposit at any ATM \$1.50 for each ATM withdrawal thereafter.	Allows employees one free access to ATM per pay period
ATM Balance Inquiry	\$1.00 Per Transaction	Free via customer service or web
ATM/POS—PIN/Signature Denial Fee**	\$1.00 Per Transaction	This fee will be assessed if an ATM or Point-of-Sale transaction is denied due to insufficient funds.
Point-Of-Sale Transaction Fee PIN Based	Waived	
Point-Of-Sale Transaction Fee Signature Based	Waived	
Customer Service—, Automated Voice Response, Live Representative	\$.25 each after 5 FREE calls each month	Web customer service no fee
Statements—Monthly Internet	Free via Internet	Paper Statement: \$1.00 per Month
<b>Miscellaneous Fees Paid By Cardholder</b>		
Inactive Account Fee***	\$2.50	A monthly fee will be assessed on each account that has been inactive for 180 days and has a residual balance.



		Account activity
Card Replacement	\$7.50 Per Card	No charge for expired cards
Expedited Card Delivery	\$17.50 Per Card	For rush order includes the card.
Check Issuance—To Close Account	\$12.00 Per Check	Check delivered via mail
Negative Balance Fee	Waived	Due to spending beyond balance
International ATM Withdrawal	\$3.00 Per Transaction	
International ATM Balance Inquiry	\$3.00 Per Transaction	
Foreign Currency Conversion	3.50%	Of the value of an overseas transaction

<sup>1</sup> Some ATM owners and operators may charge an additional fee per transaction. There are no surcharges at Chase and Allpoint ATMs.

<sup>2</sup> This fee will be assessed if an ATM or Point-of-Sale transaction is denied due to insufficient funds in a Chase Card Account.

<sup>3</sup> Statements may not be provided if a Chase Payroll Card Account becomes inactive.

<sup>4</sup> A monthly fee will be assessed on each Chase Payroll Card Account that has been inactive for 360 days. Fee is not assessed during periods of activity. Account activity is defined as a deposit, withdrawal, purchase or any type of financial activity. An Inactive Account Fee will not cause an account to have a negative balance.

<sup>6</sup> Cardholder will be allowed to withdraw all funds down to a zero balance in accordance with VISA association rules.