

Washington County



REQUEST FOR APPLICATION

BANK DEPOSITORY CONTRACT

APPLICATION NUMBER: R.F.A. 2026-030326

OPENING DATE: February 19, 2026

OPENING TIME: 10:00 A.M.

CONTACT PERSON: PEGGY KRAMER
(979) 277-6224
E-mail: pkramer@washingtontx.gov

The Washington County Commissioners' Court is soliciting applications for furnishing services associated with bank(s) depository and sub-depository set forth in this Request for Application.

PUBLIC OPENING: All applications and worksheets must be received in the Washington County Clerk's Office, Nicholas Prenzler, 100 E Main St., Suite 102, Brenham, Texas, 77833, on or before ten o'clock a. m. (10:00 a.m.), Thursday, February 19, 2026. Public Opening of the request for applications will be held in the Commissioner's Courtroom, 100 E Main St., Suite 103 Brenham, Texas 77833.

AWARD: Award will be made March 3, 2026 in the Washington County Commissioner's Courtroom, 100 E Main St., Suite 103 Brenham, Texas 77833.

SUBMISSION LOCATION: All request for applications which are mailed, shipped, delivered, etc. should be addressed as follows:

Washington County Clerk
Attn: Nicholas Prenzler, County Clerk
100 E Main St., Suite 102
Brenham, Texas 77833

REQUEST FOR APPLICATION DOCUMENTS: All applications & worksheets must be in sealed envelopes clearly marked with Request for Application Number and Title. Completed Request for Application must contain one (1) original and one (1) copy. The Original must be clearly marked "ORIGINAL" and contain all original signatures. Applicants may choose to submit applications for depository bank or sub-depository bank. Any applicants who wish to be considered as sub-depository bank should they not be selected as depository bank must complete both applications.

RESERVATION OF RIGHT TO REJECT: The Washington County Commissioners' Court reserves the right to reject in whole or in part any or all applications, waive minor technicalities, and award the contract to the most qualified vendor. The Commissioners' Court will select the qualified applicants that offer the most favorable terms and conditions for the handling of county funds, Tex. Loc. Gov't Code Ann, 116.024 (a) (3). The Commissioners' Court may reject those applicants whose management or condition, in the opinion of the Commissioners' Court, does not warrant placing County funds in their possession, Tex. Loc. Gov't Code Ann, 116.024 (b).

LATE RESPONSES: Late applications will be returned to the Vendor unopened. Washington County will not be responsible for un-marked or improperly marked request for applications or applications and worksheets delivered to the wrong location.

WITHDRAWAL AND ALTERING APPLICATION RESPONSES: Applications may be withdrawn at any time prior to the official opening. Alterations made before opening time must be initialed by the Vendor to guarantee authenticity. After the official opening, request for applications may not be amended, altered, or withdrawn. All requests for

applications become the property of Washington County and will not be returned to the Vendor.

TAX EXEMPTIONS: Washington County is exempt from Federal excise and sales tax; therefore, tax must not be included in this request for application.

PRICING: The undersigned agrees, if this request for application is accepted, to furnish any and all items upon which prices are offered, at the price(s) and upon the terms and conditions contained in the Request for Applications. The period of acceptance of the request for application will be sixty (60) calendar days unless the Vendor notes a different period.

Banking services not detailed on the worksheet will be provided at no cost, or at a cost mutually agreed upon between the County and the Bank.

SUBMISSION OF THE REQUEST FOR APPLICATION WORKSHEETS: Applications must be submitted with the attached Worksheet. All requests for applications **MUST** be submitted using the **EXACT** format provided for by this document. Please make a clear distinction between the Request for Application's language and the Bank's response.

NONCONFORMING Request for Applications: Any request for applications not conforming to the specifications shall be rejected. It will be the responsibility of the Vendor to conform to the specifications unless deviations have been specifically cited by the vendor and acceptance made on the basis of the exception.

Services, documents, supplies, and equipment pertaining to this contract shall be F. O. B. inside delivery to:

Washington County Treasurer
Attn: Peggy Kramer
105 W Main St., Suite 105
Brenham, TX 77833
(979) 277-6224

FIRM RATES: All fees are to be firm for the life of the contract. Interest rates are subject to the re-negotiation clause, Local Government Code 116.021(b) (1) (2).

UNIT PRICE: Prices should be unit priced using the Request for Application Worksheet form included with this packet. Purchases will be made on a cash basis. In case the unit price of an item differs from the extended price for the quantity stated, the unit price shall govern.

QUANTITIES QUOTED ON WORKSHEET: Quantities indicated on the Worksheet are estimates based upon the best available information. The County reserves the right to increase or decrease the quantities to meet its actual need without any adjustments in the quoted price.

PRICES NO HIGHER THAN CUSTOMARY PRICES: The price to be paid by the County shall be that contained in the Worksheet, which the Vendor warrants to be no higher than Vendor's current prices on orders by others for products or services of the kind and specification covered by this agreement for similar quantities under similar or like conditions and methods of purchase.

CONTRACT AWARD: The application along with worksheets, submitted documents, and any negotiations, when properly accepted and awarded by Washington County Commissioners' Court, shall constitute a contract equally binding between the successful offer and Washington County.

SPECIAL NOTATION: A comparative performance evaluation may be required to assist in the determination of overall efficiency of similar units. This may include, but is not limited to, samples of supplies or field test of equipment.

EVALUATION PROCESS - DEPOSITORY BANK - Washington County will award the Depository Bank contract based on, but not limited to, the following criteria:

- 1) Bank's financial position.
- 2) Bank's ability to pledge adequate securities against County funds.
- 3) Experience in providing depository services requested in bid to similar accounts.
- 4) Net rate of return on County funds.
- 5) Ability to meet service requirement.
- 6) Cost of services.
- 7) Cash management products available that will enhance the County's banking procedures.

EVALUATION PROCESS - SUBDEPOSITORY BANK(S) - Washington County will award the Sub-Depository Bank(s) contract(s) based on, but not limited to, the following criteria:

- 1) Bank's financial position.
- 2) Bank's ability to pledge adequate securities against county funds
- 3) Ability to meet service requirements.
- 4) Cost of services.

EVALUATION METHOD: Washington County reserves the right to select evaluation methods deemed most appropriate; including but not limited to those enumerated in Texas Local Government Code 116. Each application will be evaluated on a case-by-case basis, regardless of any previous evaluation method.

INSURANCE REQUIREMENTS: All insurance requirements, including Workers' Compensation, as outlined in the Texas State Statutes shall be met prior to any delivery and shall remain in effect during the life of this contract.

PROPRIETARY PRODUCT: Whenever an article or material is defined by describing a proprietary product or by using the name of a manufacturer, the term "or equal" if not inserted shall be implied. The specific article or material shall be understood as descriptive, not restrictive.

TITLE AND RISK OF LOSS: Title and Risk of Loss of goods, supplies, equipment, or services shall not pass to Washington County until Washington County actually receives and takes possession of the goods, supplies, equipment, or services at the point(s) of delivery.

CONTINUING NON-PERFORMANCE: Continuing non-performance of the vendor in the terms of this Contract shall be a basis for the termination of the contract by the County. Washington County shall not pay for services, equipment, or supplies that are unsatisfactory. Vendors will be given a reasonable opportunity before termination to correct deficiencies. This, however, shall in no way be construed as negating the basis for termination for non- performance.

TERMINATION OF AGREEMENT: Either party upon one hundred and eighty- (180) days written notice prior to cancellation may terminate The Contract.

CLAIMS, SUITS, CAUSES OF ACTION: Contractor shall provide the defense for and indemnify and hold harmless Washington County from all claims, suits, causes or action, and liability arising out of the execution of this contract or in connection with Contractor's use of the premises thereunder.

WARRANTIES: The Vendor agrees that the goods, equipment, supplies, or services furnished under this contract shall be covered by the most favorable commercial warranties offered by the Vendor to any customer for such goods, equipment, supplies, or services. The Vendor shall not limit or exclude any express, written, or implied warranties and any attempt to do so shall render this contract voidable at the option of Washington County. The Vendor warrants that the product sold to the County shall conform to the standards promulgated by the U. S. Department of Labor under the Occupational Safety and Health Act of 1970.

REFERENCES: Attach a list of references of current Public Fund users that utilize Cash Management Products similar to those requested in the bid worksheet. Failure to do so may render the applications unresponsive. (Not required of Sub-Depository Vendors.)

SPECIFICATIONS
R.F.A. 2026-030326 BANK DEPOSITORY CONTRACT

NOTICE:

The selection of County Depositories and the terms of depository contracts are governed by Tex. Loc. Gov't. Code Ann., Chapter 116 and Chapter 117

GENERAL SPECIFICATIONS:

- 1.1 **DEFINITIONS** – **Depository Bank** – The bank selected by the Washington County Commissioners' Court under this Request for Application to serve as the County's primary depository pursuant to Texas Local Government Code Chapter 116, responsible for daily banking services including, but not limited to, checking accounts, interest-bearing accounts, non-interest-bearing accounts, and time deposits for County funds.

- 1.2 **Sub-depository** – A bank selected by the Washington County Commissioners' Court under this Request for Application to provide limited banking services for designated County accounts pursuant to Texas Local Government Code Chapters 116 and 117, including checking accounts, non-interest-bearing accounts, and time deposits, subject to applicable statutory limitations and Federal Deposit Insurance Corporation (FDIC) coverage limits.

- 1.3 **SCOPE OF THE CONTRACT** - It is the intent of the Washington County Commissioners' Court to contract with banks desiring to be designated as the Washington County Depository Bank or a Washington County Sub-Depository Bank. The Contract will include Washington County Public Monies, the Registry Funds held by the District Clerk, County Clerk and State Funds collected by the Tax Collector.

- 1.4 **RESPONSE REQUIRED FOR EACH SECTION AND SUBSECTION** - Each and every section and subsection of the Request for Application requires a response from the Bank Depository applicants. Banks submitting a response to become a Sub-Depository Bank should complete only the sections applicable to a banking relationship as Sub-Depository Bank. Responses should be carefully considered. Applicants must format responses in the same sequence as the Request for Application. Where totally appropriate, responses may consist of phrases such as "understood", "agreed", "no exception", or "not applicable".

- 1.5 **MINOR EXCEPTIONS** - Minor exceptions, conditions, or qualifications to the provisions of the County's specifications must be clearly identified by the Applicant.

- 1.6 **DOCUMENT VIA ELECTRONIC FILE**- At Vendor's request, this document will be furnished as a "WORD" file by e-mail to facilitate the completion of the bid. Upon completion, the Bid Worksheet has to be returned as required. Call or email Peggy Kramer for document request.

1.6 **INTERVIEWS** – The County may require applying Banks to attend an interview with the Washington County Finance Committee. Possible interviews will be conducted between the dates of February 23, 2026 and February 26, 2026. The County expressly requests that Vendors not discuss this engagement or the bank's plans, experience, or credentials with other banks, or any member of the Commissioner's court until requested by the county officials to make a personal presentation. Any negotiations resulting from interviews will be noted as part of the vendor's response to the request for application and will be made part of the contract, if awarded.

1.7 **QUESTIONS AND CLARIFICATIONS** - Any questions or requests for clarifications should be submitted to:

Peggy Kramer, County Treasurer, Phone 979-277-6224
E-mail pkramer@washingtoncountytx.gov

A written response will be mailed or e-mailed to all banks that have received the Request for Applications.

CONTRACTURAL REQUIREMENTS:

- 2.1 **TWO TYPES OF BANKING RELATIONSHIPS** - The following specifications provide for two types of banking relationships: 1) The Depository Bank will handle daily banking services including, but not limited to, checking accounts, other types of interest-bearing accounts, non interest-bearing accounts and time deposits; 2) Sub-Depository Banks will be authorized to handle checking accounts, non-interest bearing accounts, and time deposits, not to exceed the Federal Deposit Insurance Corporation's limit per account.
- 2.2 **COMPLIANCE WITH STATUTES** - By returning the Worksheet, Banks acknowledge that it understands the Revised Civil Statutes of Texas, Article 2544. et seq. of the Revised Civil Statutes of Texas as revised by Local Government Code, Chapter 116.000 through 116.155, Chapter 117.001 through 117.057 as passed by the 70th leg. 1987, amended by the 71st leg. 1989, 72nd leg. 1991, 73rd leg. 1993, 74th leg. 1995, 75th leg. 1997, 76th leg. 1999, 80th leg. 2007, 81st leg. 2009, 82nd leg. 2011, and Article 2547 a, b, c; and Article 2558a et seq.) that pertain to the managing and safekeeping of county funds, including but not limited to those specified, and will comply with those statutes. In this document the statutes will be referred to as the "Code".
- 2.3 **BANK AFFILIATION** - Each bank must be a member of the Federal Reserve System and the Federal Deposit Insurance Corporation. A Bank must be Federal or Texas chartered. Banks who operate under State of Texas bank charter may submit a request for application without membership in the Federal Reserve System. State chartered banks **MUST** be able to perform **ALL** services required by this request for application for either the Depository Bank and/or the Sub-Depository Banks.
- 2.4 **DURATION** - The contract will be effective for a period of four (4) years ending sixty (60) days from the time fixed by law for the next selection of a depository, (March 3, 2026 to March 3, 2030), LGC 116.021 & 116.025. If a time deposit maturity extends beyond the expiration date of the depository contract, the issuer will pledge sufficient securities allowed by law for public funds to Washington County at no additional cost to the county for the duration of the time deposit. On expiration of a contract under this section, the contract may be renewed for two years under terms negotiated by the Commissioners' Court.

Buy Out – If Washington County is not satisfied with the services of the Bank when a buyout occurs, the county reserves the right within 6 months to place this contract back out for request for applications.

2.5 **RENEGOTIATIONS** - Section 116.021 (b) (1) (2) of the Code specifies that: "If the contract is for a four-year term, the contract shall allow the bank to establish, on the basis of negotiations with the county, new interest rates and financial terms of the contract that will take effect during the final two years of the four-year contract if:

- (1) The new financial terms do not increase the prices to the county by more than 10 percent; and
- (2) the county has the option to choose to use the initial variable interest rate option or to change to the new fixed or variable interest rate options proposed by the bank

2.6 **INVESTMENTS MADE OUTSIDE DEPOSITORY BANKS** - Washington County reserves the right to make investments outside the Depository Bank and Sub-Depository Banks in accordance with the Laws of the State of Texas, as a result of court order, and the Investment Policy of Washington County. All investment purchases shall be made on a delivery versus payment basis.

2.7 **SUBMITTING FINANCIAL STATEMENTS** - Banks wishing to be designated as the Depository Bank will include as part of the application:

- (1) The Bank's last three (3) quarterly Uniform Bank Performance Reports.
- (2) The Bank's last three (3) Call Reports.
- (3) The Bank's Annual Financial Reports for the past 2 years.
- (4) Delivery of these items may be done through providing a link to such reports.

The successful applicant shall continue, during the term of the depository contract, to furnish the County Treasurer updated issues of (a) each quarterly call report and (b) annual financial reports.

2.8 **GOOD FAITH GUARANTEE** - A Bank desiring to be the Depository Bank must submit with the Worksheet a certified check or a cashier's check in the amount of \$164,317 [one-half percent of the County's revenue for the preceding year, Code 116.023.2,(c), and one-half of one percent of the Registry/Trust funds held by the District Clerk and County Clerk during the preceding year, Code 117.021 (c)], payable to Washington County as a guarantee of good faith. The check will be held by the County until a Depository Bank is selected and security has been pledged (Fifteen (15) days).

2.9 **LIQUIDATED DAMAGES FOR NOT PROVIDING SECURITY** - As stated in Code Section 116.023:

"If a bank is selected as a depository and does not provide the bond and/or security, the county shall retain the amount of the check (Section 2.8 page 8, Good Faith Guarantee) as liquidated damages." A new depository shall then be selected.

2.10 **"GOOD FAITH GUARANTEE" NOT APPLICABLE TO SUB-DEPOSITORY BANKS** - The Code does not require a Bank desiring to be designated as a Sub-Depository Bank to submit the above funds described under "Good Faith Guarantee".

2.11 **SECURITY** - Within Fifteen (15) days after the selection of the depository the selected Bank shall qualify as provided by law. The County will accept Surety Bonds and/or a Securities Pledge Contract provided for under Tex. Loc. Gov't Code Ann. Chapter 116, as the method of securing the funds of the County. The bank selected as depository will execute within the time prescribed by law a security pledge contract accompanied by securities as hereinafter specified, and/or a bond issued and executed by a solvent surety company or companies authorized to do business in the State of Texas or both such securities pledge contract and bond.

To compensate for increases or decreases in County Deposits and fluctuations of market value of pledged collateral, the minimum market value of collateral will be **110% of County deposits**.

Pledged securities shall be the kind prescribed by law under Tex. Loc. Gov't Code Chapter 116, and must be acceptable to Washington County. The following securities are acceptable to Washington County:

1. U.S. Treasury Notes
2. U.S. Treasury Bills
3. Government National Mortgage Association Certificates
4. Federal Farm Credit Banks Notes and Bonds
5. Federal Home Loan Banks Notes and Bonds
6. Federal National Mortgage Association Notes and Bonds

7. Federal Home Loan Mortgage Corporation Notes and Bonds
8. State of Texas Bonds
9. Bonds of City, County and Independent School Districts located in Texas with a Moody's rating of AA or better or a Standard and Poor's rating of AA or better.

Adjustable rate mortgages (ARMs) and Collateralized Mortgage Obligations (CMOs) will not be acceptable. The bank must be the true and legal owner of all securities, which will be pledged to the County. The securities must be free and clear of all liens, claims, or pledged for other purposes. The County will not accept any security acquired by the bank under a repurchase agreement. The securities will be deposited with the Federal Reserve Bank of Dallas without expense to the County under an appropriate contract to be drawn to the provisions of Tex. Loc. Gov't Code Chapter 116 and amendments in accordance with the application, if approved.

2.12 **COLLATERAL MANAGEMENT**- The Depository Bank must include, as part of the application, a statement as to how the bank intends to ensure, on a daily basis, that sufficient collateral is pledged to protect covered accounts. Also, a detailed monthly collateral report is required. The report shall contain security descriptions, par value/current face and current market value.

2.13 **VALUE OF COLLATERAL** - The Depository Bank must propose how it will value pledged securities. The County at any time may investigate the value of any of the securities that may be pledged by the Bank. The full cooperation of the Bank will be required in such instance.

SERVICE REQUIREMENTS

3.1 **CONTACT PERSON** - Bank must identify a local senior level management person who will be responsible for overseeing the County's entire relationship, who would serve as the County's primary contact and who would be able to make decisions regarding operational aspects of this contract.

Bank must also provide a list of contact personnel within the bank who are qualified to provide information and assistance in the following areas:

- General Information
- Safekeeping and Securities Clearance
- Posting and Deposit Discrepancies
- Stop Payments
- Balance Adjustments
- Collateral Adequacy
- Internal Transfers
- Wire Transfers
- Online PC Service
- Certificates of Deposit rate quotes

3.2 **ON-LINE SERVICES** - It is requested that as a part of the application the Depository Bank will provide an on-line PC communication link to the County for daily reporting of fund balances, managing Positive Pay, collected and ledger balances, stop payment requests, confirmations, and detailed debits and credits. Attach product description, pricing, and sample reports for the on-line PC link available. **Banks should be prepared to provide the Treasurer's office an opportunity to physically work with this technology before the contract is awarded.**

3.3 **ANALYSIS REPORT** - Monthly account analysis reports will be provided for each account and on a total account basis. The account analysis will contain, at a minimum, the following:

- average ledger balance
- average float
- average collected balance
- average negative collected balance
- average positive collected balance
- reserve requirement
- available balance for earnings credit
- price levels for each activity
- monthly volumes by type
- earnings credit allowance (provide an explanation of how the earnings credit rate is calculated)

A sample account analysis report will be provided as part of the Bid.

3.4 **STATEMENTS** - Monthly bank statements will include the information concerning checks, deposit slips, transfers and debit and credit memos, processed for ALL accounts. The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, should also be included in each monthly statement.

Statements should be processed no later than five (5) business days after the close of each month.

A sample bank statement will be included as a part of the application.

3.5 **PAYROLL DIRECT DEPOSIT** - Bank must provide the capability for the county to utilize "Direct Deposit" payroll processing, allowing employees to select the bank of their choice.

- 3.6 **ACH TRANSACTIONS**- Bank must provide for acceptance of ACH (Automated Clearing House) credits and debits.
- 3.7 **WIRE TRANSFERS** - Bank must provide the ability to send wire transfers on an automated or manual basis, and also to provide the ability to receive wire transfers. Bank must provide the ability to restrict outgoing wire transfers (debits) to only those authorized.
- 3.8 **INTEREST RATES** - Floating interest rate bids and a fixed interest rate bids on accounts and certificates of deposit will be quoted by the Bank (refer to page 16). Washington County reserves the right to select the rate most favorable to the County at any time during the term of the contract, within the guidelines of Section 116.021 (b) of the Loc. Gov't Code.
- 3.9 **DISBURSEMENT SERVICES** - The successful Bank will furnish standard disbursing services for all accounts to include the payment of all County checks upon presentment. Bank must also agree to cash, without charge to the County or County employee, an employee's payroll check whether or not the employee has an account with the Bank. This will include any of the Bank's locations or motor-bank facilities.
- 3.10 **POSITIVE PAY** – The Bank will provide a means for the County to upload disbursed check information that will be compared to checks that are presented to the bank for clearing. Any discrepancies shall be cleared by the Treasurer before checks are paid by the bank. Any applicable cost should be quoted.
- 3.11 **DEPOSIT SERVICES** - The Bank will guarantee immediate credit on all wire transfers, ACH transactions and government checks upon receipt and all other checks based on the Bank's Availability Schedule. All deposits received before the Bank's established deadline will be credited daily. Bank will include a copy of their Availability Schedule as part of the application.
- 3.12 **CASH OVERDRAFTS** - For the purpose of determining cash overdrafts, the daily cash balance in all County accounts will be added together and if a negative balance occurs, the County's account is considered to be over-drafted. An applicable insufficient funds fee may then be charged.
- 3.13 **COMPUTERIZED OUTPUT** - The Bank must provide the capability for the County to download paid items that will be utilized in the bank account reconciliation process.
- 3.14 **SECURITY SAFEKEEPING** - Bank must provide for book entry/DTC acceptance and safekeeping of investment securities. A month end safekeeping statement including market values will be provided. Indicate costs associated with a security purchase settlement.

3.15 **CREDIT CARD** – Washington County may request issue of Visa/Master Card, at the discretion of the County Treasurer.

Credit Cards issued (Washington County's Name) will only be issued with approval of Commissioners Court, as presented by the County Treasurer.

Bank shall receive authorization notification of approved requests from the County Treasurer.

- Any Credit Card issued without proper authorization shall be the liability of the bank.
- Including charges using said credit card.

Bank shall send credit cards to the County Treasurer for distribution.

Proposals for issuance of a credit card initiated by Depository Bank shall be delivered to the County Treasurer.

3.16 **CASH MANAGEMENT** - On an ongoing basis the County will require cash management advice as to how accounts and procedures should be structured.

Also, the County will want to be kept informed of recent developments in cash management products. Banks are invited to propose additional cash management services that are not specified herein.

3.17 **EXPENSE ALLOWANCE** – State the dollar amount, if any, that the Bank will be willing to provide for expenses incurred due to changing depository banks. (For example: checks, deposit slips, endorsement stamps, and etc.)

3.18 **AUDIT PROCEDURES** – Washington County's internal and external auditors utilize standard bank confirmations during their audit procedures. The Depository Bank shall furnish the information requested at no cost within a reasonable time period. The Treasurer or the County Auditor are authorized to request the confirmations on any account maintained by the Depository Bank, including those accounts on which they may not be on the signature card.

3.19 **OTHER SPECIFIC SERVICES** - As described on the Cost Analysis Worksheet, the Bank will acknowledge services provided and attendant fees for such. Also indicate charges for the following:

| | |
|--|-------|
| -- Locked or Sealable bags | _____ |
| -- Laser Checks | _____ |
| -- Checks (in individual books or binders) | _____ |
| -- Deposit Slips (duplicate or triplicate) | _____ |
| -- Endorsement Stamps | _____ |
| -- Coin Wrappers | _____ |
| -- Currency Straps | _____ |

3.20 **OTHER UNSPECIFIED SERVICES AND/OR COSTS** – Other services and/or costs not specified in this document should be listed and attached, along with a description and unit pricing.

STRUCTURE OF ACCOUNTS:

The County's bank accounts will be structured as follows (numbers and dollar amounts are subject to change):

- Non-Interest Bearing Checking Accounts – 1
Estimated balances equal ~ \$ 15,000
- Interest Bearing Checking and/or Money Market Savings Accounts – 40
Estimated balance equal ~ \$ 12,000,000.
- Custodian Funds - Separate Individual Savings Accounts or CD -- 22
These savings accounts will house the District Clerks' Trust/Registry funds mandated by the court. The accounts will be in the Clerk's name for the benefit of the beneficiary and will be registered with the beneficiary's Social Security number. There are occasions when the trust funds will not be deposited in the Depository Bank by order of the court. The County also requests that when compensating balances for services rendered are calculated, these accounts be considered. Approximate total balance for all accounts is~ \$3,600,000

APPLICATION WORKSHEET
R.F.A. 2026-030326 BANK DEPOSITORY CONTRACT

VARIABLE AND FIXED RATE BIDS:

Supply rate quotes for the following:

| | Variable <u>Interest Margin*</u> |
|------------------------------------|-------------------------------------|
| Interest-Bearing Checking Accounts | _____ |
| Money Market Savings Accounts | _____ |
| Custodian Fund Savings Accts. | _____ |
| Sweep Accounts - | _____ |

*Variable Rate = 91 Day US T-Bill Auction Discount Rate published in the Wall Street Journal on the day following the auction) + Margin (Based on basis points). Example: If 91 day US T-Bill Auction Discount Rate is 3.3% and basis points are 1.0, then the variable rate is 4.3%

If rates are calculated in a different manner please explain.

If a floor or a ceiling on interest rates is a part of your bid please explain

Minimum Balance Required: _____ (Interest Ckg. Accounts)

_____ (MM Savings Accounts)

Certificates of Deposit - Variable Interest Rate

91 Day US T-Bill Auction Discount Rate (as determined by latest T-Bill Auction)

Use the date of January 1, 2026 for calculation purposes

| | less than \$250,000.00 | more than \$250,000.00 |
|---------------------------------------|---------------------------|---------------------------|
| 1. Maturity 7-29 days | + _____ basis points | + _____ basis points |
| 2. Maturity 30-59 days | + _____ basis points | + _____ basis points |
| 3. Maturity 60-89 days | + _____ basis points | + _____ basis points |
| 4. Maturity 90-179 days | + _____ basis points | + _____ basis points |
| 5. Maturity 180 days-less than 1 year | + _____ basis points | + _____ basis points |
| 6. Maturity 1 year or more | + _____ basis points | + _____ basis points |

Certificates of Deposit - Fixed Interest Rate

Use the date of January 1, 2026 for calculation purposes

| | less than \$250,000.00 | more than \$250,000.00 |
|---------------------------------------|---------------------------|---------------------------|
| 1. Maturity 7-29 days | _____ % | _____ % |
| 2. Maturity 30-59 days | _____ % | _____ % |
| 3. Maturity 60-89 days | _____ % | _____ % |
| 4. Maturity 90-179 days | _____ % | _____ % |
| 5. Maturity 180 days-less than 1 year | _____ % | _____ % |
| 6. Maturity 1 year or more | _____ % | _____ % |

DEPOSITORY BANK

The Bank must complete the information below to validate the application for a Washington County Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract by providing Washington County with a Certified and Attested Resolution from a duly authorized meeting of the Board of Directors of the submitting Bank authorizing or empowering the undersigned to execute this contract; that this Bank has not prepared this application in collusion with any other Bank; and that the contents of this application as to fees, interest rates, terms, or conditions of said bid have not been communicated by the undersigned, nor by any employee or agent, to any other Bank or to any other persons engaged in this type of business prior to the official opening of this request for application.

All unsigned applications will be disqualified.

Name and address of Bank:

Name: _____ Signature: _____

Title: _____

Telephone Number: _____

E-Mail: _____

Note: By my signature above, I hereby certify that the following are attached:

- A. The Bank's last three (3) quarterly Uniform Bank Performance Reports.
- B. The Bank's last three (3) Call Reports.
- C. The Bank's Annual Financial Reports for the past 2 years.
- D. A Certified Check or a Cashier's Check as a guarantee of good faith.
- E. A sample monthly Collateral Report.
- F. A sample Bank Statement.
- G. A Copy of Bank's Availability Schedule.
- H. A Certified and Attested Resolution from a duly authorized meeting of the Board of Directors empowering the signee to execute this contract.
- I. A response to every section and subsection in the Request for Application.
- J. Attachments indicating other services and charges not specified in the Request for Application

SUB-DEPOSITORY BANKS

The Bank **must** complete the information below to validate the application for a Washington County Sub-Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract by providing Washington County with a Certified and Attested Resolution from a duly authorized meeting of the Board of Directors of the submitting Bank authorizing or empowering the undersigned to execute this contract; that this Bank has not prepared this application in collusion with any other Bank; and that the contents of this application as to fees, interest rates, terms, or conditions of said bid have not been communicated by the undersigned, nor by any employee of agent, to any other Bank or to any other persons engaged in this type of business prior to the official opening of this application.

All unsigned applications will be disqualified.

Name and address of Bank:

Name: _____ Signature: _____

Title: _____

Telephone Number: _____

E-Mail: _____

Note: By my signature above, I hereby certify that the following are attached:

- A. A sample Bank Statement.
- B. A copy of Bank's Availability Schedule.
- C. A Certified and Attested Resolution from a duly authorized meeting of the Board of Directors empowering the signee to execute this contract.
- D. A response to every section and subsection in the Request for Application applicable to a Sub-Depository
- E. Attachments indicating other services and charges not specified in the Request for Application

References:

List two (2) references for which the Bank has supplied similar services and/or supplies. Please include phone number and name of contact person. Other governmental units are preferred

| Business | Contact Person | Phone Number |
|----------|----------------|--------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |

The undersigned affirms that they are duly authorized to execute this bid, that this bid has not been communicated to any other bidder prior to the official opening of this bid.

Name and Address of Bidder

All unsigned bids will be disqualified

Signature: _____
Name: _____
Title: _____
Phone No: _____
E-mail: _____

RETURN ALL REQUIRED INFORMATION WITH APPLICATION PACKAGE

**INVESTMENT POLICY
WASHINGTON COUNTY, TEXAS**

I. Investment Scope

General Statement

This policy serves to satisfy the statutory requirements of the Texas Local Government Code 116.112 and Texas Government Code Chapter 2256 to define and adopt a formal investment policy. This policy shall be reviewed not less than annually in accordance with Texas Government Code Section 2256.005 (e).

Funds Included

This investment policy applies to all financial assets of all funds of the County of Washington, Texas; any funds to be created in the future; any other funds held in custody by the County Treasurer; unless expressly prohibited by law or unless it is in contravention of any depository contract between Washington County and any depository bank. In accordance with Government Code, Section 2256.004(a) (5), this investment policy does not apply to registry funds deposited with the county or district clerk under Chapter 117, Local Government Code.

II. Investment Objectives

General Statement

Funds of the County will be invested in accordance with federal and state laws, this investment policy and written administrative procedures. The County will invest according to investment strategies for each fund as they are adopted by Commissioners' Court in accordance with Government Code, Section 2256.005(d).

Safety

The County is concerned about the return of its principal; therefore, safety of principal is the primary objective in any investment transaction.

Liquidity

The County's investment portfolio must be structured in conformity with an asset/liability management plan (mmp) which provides for liquidity necessary to pay obligations as they become due.

Diversification

It will be the policy of the County to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in specific maturities, a specific issuer or a specific class of investments. Investments of the County shall always be selected that provide for safety of principal, stability of income and reasonable liquidity prior to maturity.

Yield

It will be the objective of the County to earn the maximum rate of return allowed on its investments within the policies imposed by its safety and liquidity objectives, investment strategies for each fund, and all state and federal law governing investment of public funds.

Maturity

Portfolio maturities will be structured to meet the obligations of the County first and then to achieve the maximum rate of return consistent with liquidity requirements. Certificates of deposit shall not exceed a 3 year term. When the County has funds that will not be needed to meet current-year obligations, maximum restraints will be imposed based upon the investment strategy for each fund.

Quality and Capability of Investment Management

It is the County's policy to provide training required by the Public Funds Act, (Government Code), Section 2256.008 and periodic training in investments for the County Treasurer through courses and seminars offered by professional organizations and associations in order to insure the quality, capability, professional expertise and timeliness of the County Treasurer in making investment decisions. Washington County deems it prudent to appoint an Investment Committee to assist in the investing of the County's monies.

III. Investment Responsibility and Control

Appointment of Investment Officer

In accordance with Section 113.001, Local Government Code, the Washington County Treasurer is designated as Chief Custodian of Money and in accordance with Section 116.112, Local Government Code, of investments.

Liability of Investment Officer

In accordance with Section 113.005, Local Government Code, the County Treasurer is not responsible for any loss of the County funds through the failure or negligence of a depository. This section does not release the Treasurer from responsibility for a loss resulting from the official misconduct or negligence of the Treasurer, including a misappropriation of the funds, or from responsibility for funds until a depository is selected and the funds are deposited. The County Treasurer must be fully bonded.

Investment Committee

The Investment Committee shall consist of the Washington County Treasurer, the Washington County Auditor and a Washington County Commissioner's Court appointee. The committee shall meet on a semi-annual basis for the purpose of reviewing the County's investment policy. Any investment decisions or changes the committee may have shall then be forwarded to the Commissioners' Court.

Investment Institutions Defined

The Washington County Treasurer shall invest County Funds with any or all of the following institutions or groups consistent with the governing law (Government Code, Chapter 2256):

1. Depository Bank;
2. Certificates of deposit if issued by state and/or national banks domiciled in this state or a savings and loan association domiciled in this state (Government Code, Section 2256.010) and is guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor
3. Eligible investment pools (as discussed in the Public Funds Investment Act, Government Code, Section 2256.016-2256.019) if the Commissioners' Court authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. A county, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
4. Government securities brokers and dealers. The term "government securities dealer" means any person engaged in the business of buying and selling government securities for his own account, through a broker or otherwise.

IV. Investment Reporting

Regular Reports

In accordance with Government Code, Section 2256.023, not less than quarterly, the Treasurer shall prepare and submit to the Washington County Commissioners' Court a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

A. The report must:

1. describe in detail the investment position of the entity on the date of the report;
2. be prepared by the Treasurer;
3. be approved by the Investment Committee;

And as applicable:

4. contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled fund group that states the:

 - a. beginning market value for the reporting period;
 - b. additions and changes to the market value during the period;
 - c. ending market value for the period;

5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;
6. state the maturity date of each separately invested asset that has a maturity date;
7. state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
8. state the compliance of the investment portfolio of the state agency or local government as it relates to:
 - a. the investment strategy expressed in the agency's or local government's investment policy; and

- b. relevant provisions of this chapter.
- 9. The report shall be presented not less than quarterly to the Commissioners' Court within a reasonable time after the end of the period.
- 10. If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

Notification of investment changes

It shall be the duty of the County Treasurer of Washington County, Texas to notify the Washington County Commissioners' Court of any significant changes in current investment methods and procedures prior to their implementation, regardless of whether they are authorized by this policy or not.

V. Investment Types

Authorized

The County Treasurer shall use any or all of the following authorized investment instruments consistent with governing law (Government Code, Chapter 2256):

- A. Money Market Accounts with the depository bank or any participating bank. All monies must be covered by FDIC insurance or pledged securities that are acceptable in accordance with State and Federal Laws.
- B. Interest Bearing Accounts with the depository bank or any participating bank. All monies on deposit must be covered by FDIC insurance or pledged securities that are acceptable in accordance with State and Federal Law.
- C. Certificates of deposit issued by a depository institution that has its main office or a branch office in this state and is:
 - 1. guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; and
 - 2. secured by obligations that are described by Section 2256.009 (a) of the Government Code (Public Funds Investment Act), including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b); or
 - 3. secured in accordance with Chapter 2257 or in any other manner and amount provided by law for deposits of the investing entity.
 - b. In addition to the authority to invest funds in certificates under subsection (a), an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this subchapter:
 - 1. the funds are invested by a county through:
 - a. A broker that has its main office or a branch office in this state and is selected from a list adopted by the county as required by Section 2256.025; or
 - b. A depository institution that has its main office or branch office in this state and that is selected by the county;
 - 2. The broker of the depository institution selected by the county under subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the county;
 - 3. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
 - 4. The county appoints the depository institution selected by the county under Subdivision (1), an entity described by Section 2257.041 (d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240-15c3-3) as custodian for the county with respect to the certificates of deposit issued for the account of the county.
 - D. Eligible investment pools (as discussed in the Public Funds Investment Act, Government Code Section 2256.016-2256.019) if the Commissioners' Court authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. A county, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

Prohibited

The Washington County Treasurer has no authority to purchase and is prohibited from purchasing any of the following investment instruments which are strictly prohibited:

- A. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- C. collateralized mortgage obligations.

VI. Investment Responsibility and Control

Investment Institutions Defined

The Treasurer shall invest County funds with any or all of the following institutions or groups consistent with federal and state law and the current depository bank contract:

- A. depository bank;
- B. other state or national banks or state or federal credit unions that are insured by FDIC
- C. public funds investment pool
- D. Government securities brokers and dealers

Qualifications for Approval of Broker/Dealers

In accordance with the Government Code, Section 2256.005(k), a written copy of this investment policy shall be presented to any person seeking to sell to the County an authorized investment. The registered principal of the business organization seeking to sell an authorized investment shall execute a written instrument substantially to the effect that the registered principal has:

- A. received and thoroughly reviewed the Investment Policy of the County; and
- B. acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the County and the organization

The Treasurer may not purchase any securities from a person who has not delivered to the County an instrument in substantially the form provided above according to the Government Code, Section 2256.005(l).

Delivery Vs. Payment

It will be the policy of the County that all Treasury Bills, Notes and Bonds and Government Agencies' securities shall be purchased using the "Delivery Vs. Payment" (DVP) method through the Federal Reserve System. By so doing, County funds are not released until the County has received, through the Federal Reserve wire, the securities purchased.

Audit control

The County Treasurer will establish liaison with the Washington County Auditor in preparing investment forms to assist the County Auditor for accounting and auditing control.

The County Treasurer is subject to audit by the Washington County Auditor. In addition, it is the policy of the Washington County Commissioners' Court, at a minimum to have an annual audit of all County funds, investments and investment procedures by an independent auditing firm. The County Treasurer and the County's investment procedures shall be subject to an annual compliance audit of management controls on investments and adherence to the County's established investment policies in accordance with Government Code, Section 2256.005(m).

Standard of Care

- A. In accordance with Government Code Section, 2256.006, investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs,

not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority:

- (1) preservation and safety of principal;
- (2) liquidity;
- (3) diversification; and
- (4) yield.

B. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with the written investment policy of the entity.

VII. Investment Collateral and Safekeeping

Collateral or Insurance

The Treasurer shall insure that all County funds are fully collateralized or insured consistent with federal and state law and the current Bank Depository Contract in one or more of the following manners:

- A. FDIC insurance coverage;
- B. obligations of the United States or its agencies and instrumentalities;
- C. direct obligations of the state of Texas or its agencies;
- D. other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the state of Texas or the United States or its agencies and instrumentalities;
- E. obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; or
- F. any other manner allowed Government Code, Chapter 2257 (Public Funds Collateral Act).
- G. To compensate for increases and decreases in County deposits and fluctuations of market value of pledged collateral, minimum market values of collateral will be 110% of County deposits.

Safekeeping

All purchased securities shall be held in safekeeping by the County, or a County account in a third-party financial institution, or with a Federal Reserve Bank. All certificates of deposit, insured by FDIC, purchased outside the depository bank shall be held in safekeeping by either the County or a County account in a third-party financial institution. All pledged securities by the depository bank shall be held in safekeeping by the County, or a County account in a third-party financial institution, or with a Federal Reserve Bank.

Approved by the Washington County Commissioners' Court, this _____ day of _____, 2026.

John Durrenberger, County Judge

Misti Hartstack Corn, Commissioner Pct. 1

Candice Bullock, Commissioner Pct. 2

Kirk Hanath, Commissioner Pct. 3

Dustin Majewski, Commissioner Pct. 4