



January 29, 2016

Dear Illinois Fund E-Pay Participants:

As previously communicated on December 1, 2015, we are making an important change to our Illinois Funds program in order to comply with the latest accounting standards and securities laws affecting local government investment pools. **Effective February 16, 2016, the custodian for E-Pay settlement accounts will be Illinois National Bank (INB).** These changes will also allow us to continue offering secure, electronic payment services at an affordable cost, while you earn interest on your Illinois Funds account balance. Please take a moment to review the following important information regarding your E-Pay account:

Your accounts

As required by regulatory changes, you will now have:

- An E-Pay settlement account at Illinois National Bank; and
- An Illinois Funds investment account at U.S. Bancorp Fund Services, LLC (USBFS).

Required next steps

For security purposes, we are asking you to provide updated account information. By **February 12, 2016**, please complete and mail back the following enclosed forms:

- Illinois Funds Electronic Payments Application;
- Merchant Service Agreement and Service Agreement for Sub-merchants; and
- INB Banking Authorization Document.

Important Note: These documents will supersede any previous documents that we have on file for you.

Mailing Address

Illinois State Treasurer's Office
Attn: The Illinois Funds E-Pay Team
400 West Monroe, Suite 401
Springfield, IL 62704

Thank you for your continued trust in the E-Pay program. We value you as a participant and look forward to continuing to provide you with the highest level of service. If you have any questions, please feel free to contact us at **(866)831-5240** or visit www.illinoisepay.com for answers to frequently asked questions.

Sincerely

The Illinois Funds/E-Pay Team



Instructions for the Enclosed Documents

Step 1: Complete the Illinois Funds Electronic Payments Application:

- ❖ **Primary Account Authority:** The individual who will be responsible for the account, can initiate any change of information, and can grant access to other individuals. This individual must also be the designated as the Authorized Bank Signer on the Illinois National Bank Authorization Document.
- ❖ **Primary Contact:** Individual who the Primary Account Authority has designated to receive information about the account.
- ❖ **INB Contact:** The individuals who will receive balance and transaction information from Illinois National Bank.
- ❖ **Chargeback Activity:** The individual who will receive and address card vendor retrieval or chargebacks
- ❖ **Fiscal:** The individual who will handle reconciliation and posting of payments.
- ❖ **Information Technology** The individual who will assist with the implementation of designated E-Pay processing services.

Important Notes:

- ❖ *For participants who are requesting a change of information to accept Visa payments, please select Visa in Payment Type, and you will be converted to accept Visa at a later date.*
- ❖ *P.O. Boxes are not allowed on E-Pay account application.*

Step 2: Complete the appropriate MSA or MSA Sub-agreement, based on the convenience fee model you currently employ:

- ❖ **Option A:** Merchant Services Agreement (MSA) if you absorb the Service Fee; or
- ❖ **Option B:** MSA and Vantiv MSA for Sub-merchants if you pass the 2.35%,\$1 MIN Service Fee to your constituent

Important Note: The same individual who signed as the Primary Account Authority on the Illinois Funds Electronic Payments Application should sign the agreement(s).

Step 3: Complete the Illinois National Bank Banking Authorization Document:

- ❖ **Designate Authorized Bank Signer** This individual must also be the Primary Account Authority who signs the Illinois Funds Electronic Payments Application. This person will have the authority to open, close, and makes changes to the E-Pay settlement account.
- ❖ **Designated Bank Contact (s):** The individual(s) who will receive balance and transaction information from Illinois National Bank.

Step 4: Mail all documents back to:

Illinois State Treasurer
Attn: The Illinois Funds E-Pay Team
400 West Monroe Street, Suite 401
Springfield, IL 62704

ILLINOIS FUNDS ELECTRONIC PAYMENTS APPLICATION



Mail to: Illinois State Treasurer Michael W. Frerichs
 THE ILLINOIS FUNDS E-PAY
 400 WEST Monroe STREET Suite 401
 SPRINGFIELD, ILLINOIS 62704

- New Account Application** **Adding Services** **Change of Information**

The Government described herein seeks to participate through the Electronic Payment Services Program within The Illinois Funds Money Market Fund, pursuant to Section 17 of the State Treasurer Act (15 ILCS 505/17) which authorizes the State Treasurer to establish a Public Treasurers' Investment Pool.

Existing US Bank Fund Services Account # (if applicable): _____	Type Code: _____
Existing Illinois National Bank Account # (if applicable): _____	

Name of Public Agency - _____ (TIN Number)

Epay Clearing - _____ (Telephone Number) (Fax Number)

 (Street Address) (City) (County) (Zip Code)

1. Type of Service	2. Fee Type	3. Payment Type	4. Equipment	Qty
<input type="checkbox"/> Internet	<input type="checkbox"/> Absorbing Fees	<input type="checkbox"/> American Express	<input type="checkbox"/> VX520 (Phone/absorbing):	
<input type="checkbox"/> Secure Web Pay Integration	<input type="checkbox"/> 2.35%, \$1.00 min. Service Fee	<input type="checkbox"/> Discover	<input type="checkbox"/> VX520 (Ethernet):	
<input type="checkbox"/> 3rd Party Integration:	<input type="checkbox"/> \$1.00 flat fee, E-Checks	<input type="checkbox"/> MasterCard	<input type="checkbox"/> VX805 Pin-pad (absorbing):	
<input type="checkbox"/> Point-of-Sale	<input type="checkbox"/> \$1.22 E-Check w/ATM Verify	<input type="checkbox"/> Visa	<input type="checkbox"/> VX680 (Mobile/absorbing):	
<input type="checkbox"/> IVR/Touch-Tone	<input type="checkbox"/> \$3.95 flat fee <i>(Visa debit only-Visa Tax Program)</i>	<input type="checkbox"/> Visa debit <i>(Visa Tax Program only)</i>	<input type="checkbox"/> VX520 Hybrid Integrated Software Combo (passing):	
		<input type="checkbox"/> E-Check (include Limits) Per Item: \$ _____ Daily: \$ _____ Monthly: \$ _____		

Provide gross revenue on an annual basis for payable(s)? _____ Average Ticket \$ _____

E-Pay Processing Contacts					
	INB Contact? (Y/N)	Printed Name	Title	Telephone Number	E-Mail Address
Primary Contact (required)					
Chargeback Activity					
Fiscal					
Information Technology					
Additional Contact					
Additional Contact					

Participant accepts the terms and conditions of The Illinois Funds E-Pay ("E-Pay") set forth herein. By signing this agreement, the undersigned hereby gives the Office of the Illinois State Treasurer and its E-Pay contractual vendor's permission to communicate with and receive information from the E-Pay settlement account bank. The Office of the Illinois State Treasurer makes no representations or warranties as to the information loaded at any given time onto the web server for the advanced service option. It is the responsibility of the participant to verify the accuracy of its information on its E-Pay web site. The undersigned hereby certifies that he/she is eligible and authorized to open and close an account(s) in E-Pay.

Primary Account Authority Signature: _____ Date: _____
 Printed Name: _____ Position/Title: _____

**MERCHANT SERVICES
AGREEMENT**

WHEREAS, the Office of the Illinois State Treasurer (“Treasurer”) is authorized to facilitate electronic payment processing through a program commonly referred to as The Illinois Funds/E-PAY Program and has entered into an Agreement for Electronic Payment Processing (“Master Services Agreement”) with Forte Payment Systems, Inc. (“Forte”) to provide to all participants (“Merchants”) in The Illinois Funds/E-PAY Program with electronic payment processing services through all payment channels;

WHEREAS, given the complexities of electronic payment processing, the Treasurer, Forte, Forte’s subcontractor payment processor, Global Payments, Inc. (“Processor”), and the Member bank (“Member”) have entered into multiple agreements (“Processing Agreements”) by and between one or more of the aforementioned parties to establish certain terms and conditions which are to be binding on all Merchants;

WHEREAS, these Processing Agreements, are available online at www.illinoisepay.com, have been fully reviewed by the Merchant, and include the fully completed and executed Merchant Application, Forte’s Terms and Conditions, the Processor’s Terms and Conditions, and Pricing Schedule, the Master Services Agreement is available upon request (the Processing Agreements and the Master Services Agreement are collectively referred to as “Merchant Services Agreement Terms and Conditions”); and

WHEREAS, _____ (“Merchant”) desires to participate in the Treasurer’s Electronic Payment Services Program; and

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the undersigned agree as follows:

1. **INCORPORATION.** The parties incorporate by reference the WHEREAS clauses set forth above as if fully set forth herein.
2. **MERCHANT WARRANTIES.** Merchant represents, warrants, and agrees (i) it has received, read, and understood the Merchant Services Terms and Conditions and Pricing Schedule, (ii) it is a “Merchant” as that term is described and used in the Merchant Services Agreement Terms and Conditions, (iii) to be bound by the Merchant Services Agreement Terms and Conditions, the Pricing Schedule, and any other terms, policies or procedures Merchant may receive from the Treasurer, and (iv) it is authorized to enter into this Agreement.

IN WITNESS WHEREOF, Merchant, Processor, Member, Forte, and Treasurer have each caused this Merchant Services Agreement to be

executed, sealed and delivered this the _____ day of _____, 20_____.

(“Merchant”)

(“Processor”) **Global Payments, Inc.**

Organization: _____

By: _____
(Signature)

Its: _____

Date: _____

By: _____
(Signature)

Its: EVP & General Counsel | Global Payments Inc.

Date: _____

(“Forte”) **Forte Payment Systems, Inc.**

(“Member”) **BMO Harris Bank**

By: _____
(Signature)

Its: President and CEO | Forte Payment Systems

Date: _____

By: _____
(Signature)

Its: EVP & General Counsel | Global Payments Inc..

Date: _____

(“Treasurer”) **Office of the Illinois State Treasurer**

By: _____
(Signature)

Its: Director of Illinois Funds Investments & E-Pay Operations

Date: _____

MERCHANT SERVICES AGREEMENT

This Merchant Services Agreement (“Agreement”) is made by and between the Office of the Illinois State Treasurer (“Treasurer”), Forte Payment Systems, Inc. (“Forte”) and _____ (“Merchant”).

WHEREAS, the Treasurer is authorized to facilitate electronic payment processing through a program commonly referred to as The Illinois Funds/E-PAY Program and has entered into an Agreement for Electronic Payment Processing (“Master Agreement”), which sets forth the fees in Appendix G (“Pricing Schedule”), with Forte to provide to all participants in The Illinois Funds/E-PAY Program with electronic payment processing services through all payment channels; and

WHEREAS, the Pricing Schedule and Forte Payment Systems, Inc. Terms and Conditions (“Processing Agreements”) are available online at www.illinoisepay.com and are hereby incorporated herein; and

WHEREAS, Merchant desires to participate in the Illinois Funds/E-PAY Program for electronic payment processing services; and

WHEREAS, Merchant has completed and submitted the Illinois Funds Electronic Payments Merchant Application.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the undersigned agree as follows:

1. **INCORPORATION.** The parties incorporate by reference the WHEREAS clauses set forth above as if fully set forth herein.
2. **MERCHANT WARRANTIES.** Merchant represents, warrants, and agrees
 - A. it has received, read, and understood this Agreement and has had the opportunity to review the Processing Agreements;
 - B. it is a “Merchant” as that term is described and used in the Forte Terms and Conditions;
 - C. to be bound by the Processing Agreements and any other terms, policies or procedures Merchant may receive from the Treasurer; and
 - D. it is authorized to enter into this Agreement.

IN WITNESS WHEREOF, Merchant, Forte, and Treasurer have each caused this Agreement to be executed, sealed and delivered this the _____ day of _____, 20_____.

(“Merchant”)

(“Forte”) Forte Payment Systems, Inc.

Organization: _____

By: _____
(Signature)

Its: _____

Date: _____

By: _____
(Signature)

Its: _____

Date: _____

(“Treasurer”) Office of the Illinois State Treasurer

By: _____
(Signature)

Its: Director of Illinois Funds Investments & E-Pay Operations

Date: _____

VANTIV MERCHANT SERVICES AGREEMENT for SUB-MERCHANTS

In connection with Merchant's agreement with Forte Payment Systems, Inc, Vantiv, LLC and its designated Member Bank (collectively "Vantiv") will provide Merchant with certain payment processing services ("Services") in accordance with the terms of this Vantiv Merchant Services Agreement ("Agreement"). In consideration of Merchant's receipt of credit or debit card funded payments, and participation in programs affiliated with MasterCard International Inc. ("MasterCard"), VISA U.S.A. Inc. ("VISA"), Discover ("Discover"), and certain similar entities (collectively, "Associations"), Merchant is required to (i) enter into a direct relationship with an entity that is a member of the Associations and (ii) agree to comply with Association rules as they pertain to applicable credit and debit card payments. By executing this Agreement, Merchant is fulfilling the Association rule of entering into a direct relationship with a Member of the Associations; however, Vantiv understands that Merchant may have contracted with Forte to obtain certain processing services and that Forte may have agreed to be responsible to Merchant for all or part of Merchant's obligations contained herein.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises contained herein, the parties agree as follows:

1. Certain Merchant Responsibilities.

Merchant agrees to participate, and to cause third parties acting as Merchant's agent ("Agents"), to participate, in the Associations in compliance with, and subject to, the by-laws, operating regulations and/or all other rules, policies and procedures of the Associations (collectively "Operating Regulations"). Merchant also agrees to comply with all applicable state, federal, and local laws, rules, and regulations ("Laws"). Without limiting the foregoing, Merchant agrees that it will fully comply with VISA, MasterCard, Discover, and/or Other Networks, including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations. For purposes of this section, Agents include, but are not limited to, Merchant's software providers and/or equipment providers.

If appropriately indicated in Merchant's agreement with Forte, Merchant may be a limited-acceptance Merchant, which means that Merchant has elected to accept only certain Visa and MasterCard card types (i.e., consumer credit, consumer debit, and commercial cards) and must display appropriate signage to indicate the same. Vantiv has no obligation other than those expressly provided under the Operating Regulations and applicable law as they may relate to limited acceptance. Merchant, and not Vantiv, will be solely responsible for the implementation of its decision for limited acceptance, including but not limited to policing the card type(s) accepted at the point of sale.

Merchant shall only complete sales transactions produced as the direct result of bona fide sales made by Merchant to cardholders, and is expressly prohibited from presenting sales transactions which are produced as a result of sales made by any person or entity other than Merchant, or for purposes related to financing terrorist activities.

Merchant may set a minimum transaction amount to accept a card that provides access to a credit account, under the following conditions: i) the minimum transaction amount does not differentiate between card issuers; ii) the minimum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand; and iii) the minimum transaction amount does not exceed ten dollars (or any higher amount established by the Federal Reserve). Merchant may set a maximum transaction amount to accept a card that provides access to a credit account, under the following conditions: Merchant is a i) department, agency or instrumentality of the U.S. government; ii) corporation owned or controlled by the U.S. government; or iii) Merchant whose primary business is reflected by one of the following MCCs: 8220, 8244, 8249 –Schools, Trade or Vocational; and the maximum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand.

2. Merchant Prohibitions.

Merchant must not i) require a cardholder to complete a postcard or similar device that includes the cardholder's account number, card expiration date, signature, or any other card account data in plain view when mailed, ii) add any tax to transactions, unless applicable law expressly requires that a Merchant impose a tax (any tax amount, if allowed, must be included in the transaction amount and not collected separately), iii) request or use an account number for any purpose other than as payment for its goods or services, iv) disburse funds in the form of travelers checks if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from Merchant, v) disburse funds in the form of cash unless Merchant is dispensing funds in the form of travelers checks, TravelMoney cards, or foreign currency (in such case, the transaction amount is limited to the value of the travelers checks, TravelMoney cards, or foreign currency, plus any commission or fee charged by the Merchant), or Merchant is participating in a cash back service, vi) submit any transaction receipt for a transaction that was previously charged back to Vantiv and subsequently returned to Merchant, irrespective of cardholder approval, vii) accept a Visa consumer credit card or commercial Visa product issued by a U.S. issuer to collect or refinance an existing debt, viii) accept a card to collect or refinance an existing debit that has been deemed uncollectable by Merchant, or ix) submit a transaction that represents collection of a dishonored check. Merchant further agrees that, under no circumstance, will Merchant store cardholder data in violation of the Laws or the Operating Regulations including but not limited to the storage of track-2 data. Neither Merchant nor its Agent shall retain or store magnetic-stripe data subsequent to the authorization of a sales transaction.

3. Settlement.

Upon receipt of Merchant's sales data for card transactions through Forte Services, Vantiv will process Merchant's sales data to facilitate the funds transfer between the various Associations and Merchant. After Vantiv receives credit for such sales data, Vantiv will fund Merchant, either directly to the Merchant-Owned Designated Account or through Forte to an account designated by Forte ("Forte Designated Account"), at Vantiv's sole option, for such card transactions. Merchant agrees that the deposit of funds to the Forte Designated Account shall discharge Vantiv of its settlement obligation to Merchant, and that any dispute regarding the receipt or amount of settlement shall be between Forte and Merchant. Vantiv

will debit the Forte Designated Account for funds owed to Vantiv as a result of the Services provided hereunder, unless a Merchant-owned account is otherwise designated below. Further, if a cardholder disputes a transaction, if a transaction is charged back for any reason, or if Vantiv reasonably believes a transaction is unauthorized or otherwise unacceptable, the amount of such transaction may be charged back and debited from Merchant or Forte.

Merchant-Owned Designated Account

Name of Bank: _____
ABA No.: _____
Account No. _____
Account Name: _____

4. Term and Termination

This Agreement shall be binding upon Merchant upon Merchant’s execution. The term of this Agreement shall begin, and the terms of the Agreement shall be binding upon Vantiv, on the date Vantiv accepts this Agreement by issuing a merchant identification number, and shall continue until either party gives at least thirty (30) days prior written notice to the other party.

Notwithstanding the foregoing, Vantiv may immediately cease providing Services and/or terminate this Agreement upon five (5) day notice unless otherwise mandated by Association if (i) Merchant or Forte fails to pay any amount to Vantiv when due, (ii) in Vantiv's opinion, provision of a service to Merchant or Forte may be a violation of the Operating Regulations, or any applicable state, federal, or local laws, rules, and regulations (“Laws”), (iii) Vantiv believes that Merchant has violated or is likely to violate the Operating Regulations or the Laws, (iv) Vantiv’s agreement with Forte terminates, (v) Vantiv ceases to be a member of the Associations or fails to have the required licenses, or (vi) Vantiv is required to do so by any of the Associations.

5. Limits of Liability.

Merchant agrees to provide Vantiv with written notice of any alleged breach by Vantiv of this Agreement, specifically detailing any alleged failure, within thirty (30) days of the date on which the alleged failure or error first occurred; failure to so provide notice shall be deemed an acceptance by Merchant and a waiver of any and all rights to dispute such failure or error. Vantiv shall bear no liability and have no obligations to correct any errors resulting from Merchant’s failure to comply with the duties and obligations of the preceding sentence

Vantiv’s liability related to or arising out of this Agreement shall in no event exceed \$5,000. Merchant’s sole and exclusive remedy for any and all claims against Vantiv arising out of or in any way related to the transactions contemplated herein shall be termination of this Agreement. Merchant acknowledges that Vantiv is not liable for any action or failure to act by Forte, and that Vantiv shall have no liability whatsoever in connection with any products or services provided to Merchant by Forte. In the event that Merchant has any claim arising in connection with the Services, rights, and/or obligations defined in this Agreement, Merchant shall proceed against Forte and not against Vantiv, unless otherwise specifically set forth in the Operating Regulations. In no event shall Vantiv have any liability to Merchant with respect to this Agreement or the Services. For avoidance of doubt, the immediately two preceding sentences will not limit Vantiv’s obligation to settle funds due to Forte and/or Merchant under this Agreement.

6. Miscellaneous.

This Agreement is entered into, governed by, and construed pursuant to the laws of the State of Illinois without regard to conflicts of law provisions. This Agreement may not be assigned by Merchant without the prior written consent of Vantiv. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, transferees and assignees. This Agreement is for the benefit of, and may be enforced only by, Vantiv and Merchant and is not for the benefit of, and may not be enforced by, any other party. Vantiv may amend this Agreement upon notice to Merchant in accordance with Vantiv’s standard operating procedure. If any provision of this Agreement is determined to be illegal or invalid, such illegality or invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if such provision is not contained in this Agreement. “Member Bank” as used in this Agreement shall mean a member of VISA, MasterCard and/or Discover, as applicable, that provides sponsorship services in connection with this Agreement. As of the commencement of this Agreement, Member Bank shall be Fifth Third Bank, an Ohio Banking Corporation, located in Cincinnati, OH 45263. The Member Bank is a party to this Agreement. The Member Bank may be changed, and its rights and obligations assigned to another party by Vantiv at any time without notice to Merchant.

(“Merchant”)

(“Vantiv”) Vantiv, LLC

Organization: _____

By: _____
(Signature)

By: _____
(Signature)

Its: _____

Its: _____

Date: _____

Date: _____