



**MINUTES FROM THE BANKING SUBCOMMITTEE
OF THE CASH MANAGEMENT POLICY BOARD
February 12, 2025**

A meeting of the Banking Subcommittee (the “Subcommittee”) of the Cash Management Policy Board (the “Board”) was held on February 12, 2025, at 10:00 a.m. The meeting was conducted virtually, with public accommodations provided in the Large Conference Room of the Office of the State Treasurer (“OST”), 820 North French Street, Mezzanine Level, Wilmington, DE 199801.

Subcommittee Members Represented or in Attendance:

Ms. Tarrie Miller, Subcommittee Chair
Mr. Leland Sylver Subcommittee Co-Chair
Mr. Michael Smith, Secretary of Finance
Ms. Colleen Davis, State Treasurer
Mr. Warren Engle, Board Chair

Not in Attendance:

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice
Mr. Jordan Seemans, Deputy State Treasurer, OST
Ms. Khairat Makanjuola, Chief Operating Officer, OST
Mr. Brennon Fountain, Director of Reconciliations and Transaction Management, OST
Ms. Fiah M. Kwesseu, Director of Operations and Fund Management, OST
Mr. Vivek Maharaj, Merchant Services Program Manager, OST
Ms. Ninna Vaughn, Executive Assistant, OST
Ms. Priyanshi Vaidya, Accounting Specialist, OST
Ms. Layne Taylor, Director of Policy and Communication, OST
Mr. Andrew Fiorentino, Director of Communication, OST
Mr. Brent Hobby, CampusGuard

CALLED TO ORDER

The meeting was called to order at 10:00 a.m. A quorum was established.

INTRODUCTIONS

Mr. Seemans introduced Mr. Michael Smith, Secretary of Finance, Layne Taylor, the Director of Policy and Communication, and Andrew Fiorentino, Director of Communication. Then, Ms. Vaughn initiated a roll call. All attendees stated their names and titles.

APPROVAL OF THE MINUTES

A MOTION to approve the November 13, 2024, minutes was made by Mr. Engle and seconded by Mr. Sylver.

MOTION ADOPTED UNANIMOUSLY

LOCAL BANKING WAIVER DISCUSSION AND POTENTIAL VOTE FOR THE DELAWARE VETERANS HOME (“HOME”) RFMS, DHSS WIC (“WIC”), AND DELAWARE TECHNICAL COMMUNITY COLLEGE (“DTCC”) ACCOUNTS HELD AT PNC BANK PROJECTS

Ms. Makanjuola discussed the three local banking waivers requested by DVH, DHSS, and DTCC.

DVH (“Home”):

The Home uses a vendor, National Datacare, to manage resident funds. National Datacare’s Resident Fund Management must be implemented through a partner bank in its network. PNC is the only bank in the RFMS’s network that has a location in Milford, DE. To allow for continuity of operations and the providing of services to veterans, the Home requested a one-year waiver, which will allow them, with the help from OST, to explore the possibility of switching to a State-approved banking partner that is in RFMS’s network.

DHSS WIC:

WIC program established a new account with M&T for the WIC participant food redemptions. However, they are at a standstill until after January 2, 2025, due to the annual bank freeze on testing. DHSS requested a waiver to delay the use of the new account until mid-February to allow for sufficient testing of the new account and ensure all food redemptions by our WIC families are processed smoothly and provide no disruptions to WIC families and WIC food vendors.

DTCC:

DTCC requested a 6-month waiver to allow continuity of operations related to fundraising events with PNC Bank for two existing accounts. The accounts DTCC requested a waiver for are State of Delaware, DTCC, Owens Campus Internal Fund Government Checking Account and State of Delaware, Stanton Campus Internal Fund Business Checking Account.

MOTION to approve a banking waiver for the Delaware Veterans Home to allow the continuance of business operations and services to veterans for one year was made by Ms. Miller and seconded by Mr. Engle.

MOTION to approve a banking waiver for the WIC program to delay the use of the new M&T account until the end of February, allowing sufficient time for testing and ensuring all food redemptions are processed efficiently, was made by Ms. Miller and seconded by Mr. Engle.

MOTION to approve a banking waiver for DTCC to allow continuity of operations related to fundraising events for a 6-month period was made by Ms. Miller and seconded by Mr. Engle.

MOTION to allow OST to approve waivers for up to six months after the date of request was made by Ms. Miller and seconded by Mr. Engle.

MOTION ADOPTED UNANIMOUSLY

LOCAL BANKING PROJECTS DISCUSSION AND UPDATE

Ms. Makanjuola discussed the local banking updates. As of the end of December 2024, it was reported that there were seventeen (17) PNC bank accounts representing over \$700K that belong to entities that have transitioned to a contractual bank within the State of Delaware; however, these bank accounts identified with PNC still do not have a zero balance to close the account fully. The OST team has remained in constant communication with these remaining state agencies and local school districts and have been advised that nine (9) of the seventeen (17) accounts will require a request waiver to the Cash Management Policy Board to close these accounts. These agencies and school districts represented by bank accounts with PNC bank are Delaware Technical Community College five (5) accounts, Department of State three (3) accounts, and Department of Health and Social Services one (1) account.

In addition to the local banking project, the OST team continues to work with state agencies and local school districts to ensure that their over-the-counter banking needs are being met and consolidated (when conducive) to maintain continuity between their daily operations and over-the-counter banking needs. This over-the-counter banking process is working hand in hand with the local banking project with an expected execution date of March 2025.

MERCHANT SERVICES AND PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS (“PCI-DSS”) COMPLIANCE DISCUSSION

Mr. Maharaj and Mr. Hobby provided the following updates on the Merchant Services and PCI-DSS compliance:

- **Fiserv Migration Project Update**

OST continues to migrate merchants to Fiserv payment gateway and processing services. Currently, OST is working to determine an appropriate end date based on the pending merchants and their infrastructure allowance to complete the migration.

OST, CampusGuard and Courts/DELJIS are working together to identify a definitive timeline for completion of this migration and will keep the Committee apprised of progress. DELJIS provided notice to OST about necessary programmatic changes (estimated to take 18 months to complete) to existing systems that have not yet begun. Courts are working with OST and CampusGuard on a PCI-DSS solution for accepting payments.

- **PCI-DSS Compliance Project Update**

As of December 31, 2024, OST and CampusGuard has released 100% of the State’s SAQs to the merchants for completion. The CampusGuard portal reflects 98.37% completed and PCI compliant. The remaining non-compliant merchants were the Judicial and DELJIS. OST submitted a request for an extension until December 31, 2026, as the agency is in the process of updating their legacy system to better comply with PCI standards. Also, the Department of Transportation has completed all but four SAQs, and efforts are underway to complete and solidify their compliant status. The outcome has improved due to the step-by-step recorded tutorial created by OST in conjunction with CampusGuard, which is available on OST’s website. This new tutorial was shared with all merchant environments to help the SAQ completions. We will continue to provide guidance for State merchants as this process continues.

PCI training shows 1,223 of 1,334 (92%) state employees have completed the required training. OST will provide regular updates to the CMPB Full Board meeting regarding the corresponding percentages.

- **Digital Government Project Update**

The design of a resident and visitor portal, which includes the payment infrastructure provided by OST, was launched with a start date of April 2024. OST has confirmed there are 210 merchant e-commerce environments at Govolution. There are 256 Clover devices for in-person transactions, of which 46 are pending activation; the 46 devices are new devices recently ordered in December 2024. Below is a listing of pending clover devices by agency for training and connectivity:

PENDING ACTIVATION	46
DELTECH	22
SUSSEX COUNTY VO TECH	2
CHARTER SCHOOL OF WILMINGTON	1
NEW CASTLE COUNTY VO TECH	3
DNREC FISH AND WILDLIFE	6
DHSS	12

Since the availability of the GoDE solution in September of 2024, there are 63 active applications in the Fiserv ecommerce migration queue; 39 of these represent existing Govolution applications. OST will continue to onboard new and existing applications and provide regular updates.

- **BANKING SERVICES RFP TIMELINES DISCUSSION AND UPDATE**

Ms. Kwesseu provided RFP timeline updates for the following contracts:

- **Electronic Payment Consulting Services (PCI Consultant) Contract Discussion and Update**

The PCI Consultant contract with CampusGuard consists of vendor portal storage for SAQs and documents, PCI offsite and onsite consulting, quarterly external and internal scans, hosting annual online training, PCI staff training, and two onsite visits per year. The current contract expires on February 28, 2026.

- **General Banking Contract Discussion and Update**

The general banking services contract consists of banking services handling collections and disbursements (both check and electronic), lockbox processing services, purchasing/virtual card & ePayables (PCard Program, Division of Accounting), prepaid debit card, and check printing services.

- The JP Morgan contract for general banking services and PCard expires on December 31, 2025, and August 19, 2026.
- The US Bank contract expires on March 5, 2026.

It was highly recommended that the initial term for PCI Consultant and General Banking does not exceed five years with two two-year extensions.

OTHER MATTERS OF THE SUBCOMMITTEE

None

PUBLIC COMMENT

No public comment was issued by an attending member of the public.

EXECUTIVE SESSION

No executive session was held.

NEXT MEETING

The next Full Board meeting is scheduled virtually for Wednesday, February 26, 2025.

The next Banking Subcommittee meeting is Wednesday, May 14, 2025.

ADJOURNMENT

The meeting was adjourned at 10:29 a.m.

Respectfully Submitted,

Tarrie Miller
Chair, Banking Subcommittee