

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 20

DATE:

September 20, 2011

RECOMMENDATION

CONTRACT WITH JPMORGAN CHASE BANK, NA FOR STUDENT CENTER BANKING SERVICES AND CAMPUS ATM LOCATIONS

ACTION REQUESTED

It is recommended that the Board of Regents formally approve a five year contract with JPMorgan Chase Bank, NA for Student Center banking services and campus ATM locations. Authorization to proceed on this proposal was provided by the Executive Committee of the Board on August 12, 2011.

STAFF SUMMARY

TCF Bank has operated a branch in the EMU Student Center since its opening and the contract with TCF has expired. A Request for Proposal (RFP) was issued on June 24 seeking proposals from qualified financial institutions to provide a convenience banking location in the Student Center and additional campus ATM locations (beyond the five ATM's already under contract with Higher One). After careful review of the proposals, JPMorgan Chase Bank NA (Chase) was selected to provide the services under the terms of a five year agreement.

Chase will be making a significant up-front investment of approximately \$800,000 to build out a full service bank on the first floor of the Student Center including a small expansion outside the space previously occupied by TCF Bank. Chase will be paying Eastern fixed rent of \$60,000 annually for the Student Center space.

In addition to the initial investment and annual Student Center rent payments, Chase will be paying Eastern ATM rent of \$24,000 in the first year with 3% annual increases as well as a \$20,000 fixed annual marketing bonus.

In order for Chase to complete its build out and be open for business at the beginning of Fall term, it was necessary to seek Board approval prior to the scheduled September meeting. The Executive Committee of the Board authorized proceeding with Chase on August 12, 2011.

FISCAL IMPLICATIONS

Over the five year period, total Chase payments to Eastern will total approximately \$525,000.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

Date

9/20/11