

January 26, 1998

CC: Bernie Chase, Jim Buckle, Gary Noller

Joe Chin  


Subject: ADVA Banking

Dear Joe:

Please do let me know about the fees charged by Citizens Bank used for the Foundation. Do they operate under a State or Federal charter? Also would be interested in knowing the rates they are paying on 1 year CD's.

I did check on the cost of carrying a non-profit business checking account at two Massachusetts banks, Bank of Boston and Cape Cod Bank and Trust. Both banks have branches near Bernie Chase's zip code. Neither will give us checking account privileges for free, but it also appears that either one will charge us quite a bit less than Fleet Bank. At the Bank of Boston, for example, I am estimating the cost will be about half of Fleet's new fee schedule. Savings at Cape Cod Bank may also be in that range. You may recall that I estimated the additional cost of the new fee schedule at Fleet would cost ADVA at least \$400+ per year.

Bank of Boston will charge \$12 per month plus 16 cents per check written and 9 cents per item deposited and 85 cents per deposit ticket. They don't require a minimum balance but will give us earnings credit offsets at an interest rate of 3-½ %. Current 1-yr. CD rates are 5.53%.

Cape Cod Bank and Trust will charge \$8 per month plus 16 cents per check written, 9 cents per deposit item and 50 cents per deposit ticket. Current 1 yr CD rates are 5.33%. I didn't get any specific details on the earnings credit rate to offset checking fees.

If we do decide to change checking accounts, there will be some paperwork involved, as you know. A servicing officer at Bank of Boston told me they require a "Business Certificate" which is issued by the city or village where the Corporation is headquartered. This "Certificate" assures the bank about the corporation's legitimate business purpose and is apparently not difficult to obtain. Do you know where we would request such a "Certificate"? Is the official headquarters of ADVA in Boston?

I didn't talk to anyone at Cape Cod Bank but was able to find all of the above information on the Internet. I suspect that the paperwork requirements would be the same.

Let me know if you think we should channel ADVA business away from Fleet Bank and if you recommend Bank of Boston, Cape Cod Bank and Trust or any other bank in the region.

*Rick Olson*