

# EXECUTIVE SUMMARY

## Mississippi Prepaid College Tuition (MPACT) Banking and Lockbox Services Bancorpsouth Bank

### Overview

MPACT lockbox administrator is chosen through the RFP process. Bancorpsouth has served as the lockbox administrator for the MPACT program for eleven years. The College Savings Plans of Mississippi Board of Directors entered into its contract with Bancorpsouth in August 2001. This contract is perpetual and may be terminated at any time with adequate notice given as defined in the termination section of the contract.

### Lockbox Pricing

Bancorpsouth invoices College Savings on a monthly, per item basis. To date MPACT has paid a total of \$4,858.28 in FY12 to Bancorpsouth based on the attached fee schedule. Bancorpsouth's pricing takes into account the full scope of services described in the "Scope of Services" section. For a detailed pricing schedule, summary of invoices for FY12, and a sample invoice, see the "Lockbox Fees" section.

### Scope of Services

Bancorpsouth's function in lockbox remittance processing is to act as an agent for the MPACT Program by collecting and processing remittance payments. MPACT payments are mailed to PO Box 1199 in Jackson, MS. Bancorpsouth, acting as depository agent of the Program, collects all mail delivered on a daily basis. Bancorpsouth processes payments and handles return items. Any customer correspondence received in the daily mail is forwarded to the MPACT Records Administrator daily. Bancorpsouth offers MPACT an automated repurchase sweep account and InView Balance Reporting. See the "Scope of Services" section for a detailed list and explanation of services.

## EXECUTIVE SUMMARY

Mississippi Affordable College Savings (MACS) Program Manager  
TIAA-CREF, Tuition Financing Incorporated (TFI)

### Overview

TFI has served as the program manager for the MACS advisor and direct plans since the program's inception in 2001. The College Savings Plans of Mississippi Board of Directors entered into the most recent contract with TFI in September 2011. The direct sold plan contract will expire September 21, 2015 with the option to extend the terms of the contract through September 21, 2016. The advisor sold plan will expire June 30, 2012. TFI has notified the Board of Directors of its desire to discontinue their management of the advisor plan once the current contract expires.

### Management Fees

For its services as the Direct and Advisor Program manager, TFI is paid an annual fee of 0.7% of the average daily net assets of the Program, plus the specific investment management fees for the underlying investments in the TIAA-CREF Institutional Mutual Funds.

Total Fees earned by TFI for the FY 11 is \$879,023, which includes \$674,803 in fees on average daily net assets of the Program and \$204,220 of fees on underlying Program investments in the TIAA-CREF Institutional Mutual Funds.

0.7% of average daily net assets: \$674,803.00

Fees on underlying investments: \$204,220.00

Total Fees Earned by TFI in FY11: \$879,203.00

TFI currently has its Program Manager Fee at 50 basis points. TFI will reduce its Program Manager Fee to 45 basis points when assets under management in the direct sold plan exceed \$250,000,000; TFI will further reduce the Program Manager Fee to 40 basis points when assets under management in the direct sold plan exceed \$500,000,000 and to 20 basis points when assets under management exceed \$1,000,000,000.

TFI is currently working from a \$1.29 million operating budget. We pay a total of approximately \$880 thousand, leaving TFI with a deficit of \$410 thousand to manage the MACS plan.

### Administrative Fee

TFI provides a \$37,500 quarterly payment to the State Treasury for a total annual administrative fee of \$150,000. This administrative fee is used to supplement salaries, travel, contractual services, and commodities. The current fee allocation for FY12 is in the "Management Fees" section.

Scope of Services – See "Scope of Services" section for a detailed explanation of services listed below.

Investment Services – Offer direct plan account owners four investment options. Advisor plan account owners are currently offered eight investment options. The performance history of each option is listed in the "Scope of Services" section.

### Records Administration

- Boston Financial Data Services, Inc. is subcontracted by TFI to provide account administration and record keeping services.
- TFI prepares quarterly reports that include investment performance, marketing results, customer service performance, etc.
- State Street Bank and Trust Company is subcontracted by TFI to provide custody services including the calculation of daily unit values and investment accounting. This subcontractor is also responsible for executing investment portfolio trades.

### Customer Service

- Boston Financial Data Services, Inc. receive all service-related calls for existing account owners while TFI's consulting Center provides investment-related education, guidance and support to prospective and existing account owners.
- TFI offers web-based payment and withdrawal options, account balance and performance reviews, electronic statement options and online enrollment.

Marketing Services – TFI's marketing tactics include the following:

- Direct mail to current and potential account owners (See pocket folder for examples)
- E-mail to current and potential account owners (See pocket folder for examples)
- Web-based keyword search and banner advertising
- Community outreach through scholarships
- Mass Media (television, radio, print)
- Sponsorships and Exhibits
- Low-to-Moderate Income Marketing
- Website Hosting

## EXECUTIVE SUMMARY

Mississippi Prepaid College Tuition (MPACT) Records Administrator  
Intuition Systems Inc.

### Overview

MPACT records administrator is chosen through the RFP process. Intuition Systems Inc. has served as the records administrator for MPACT since the program's inception in 1997. The College Savings Plans of Mississippi Board of Directors entered into the most recent contract with Intuition Systems Inc. in July 2010. This contract will end June 30, 2013 with an option to extend the terms of the contract through June 30, 2014.

### Record Administrator Fees

Intuition charges a monthly administrative fee based on the following two categories:

- Account Servicing - number of accounts sold since program inception (\$1.58 per account)
- Benefit Disbursement – number of accounts with scholarship refunds and/or tuition payments to in-state or out-of-state institutions (\$6.00 per account)

To date MPACT has paid a total of \$371,292.34 in FY12 to Intuition based on the above listed fees. Intuition also charges set fees for special projects and programming changes. There have been no projects or programming changes in FY11 or FY12 to date. See the "Administrative Fees" section for a complete fee schedule, summary of FY12 invoices, and a sample invoice.

### Administrative Fees Charged by MPACT

The MPACT program charges account owners various administrative/processing fees. These fees are a combination of flat fees and fees based on the specific contract amount. In FY11 the MPACT program collected \$3,024,481.74 in fees. These fees are deposited into the MPACT trust fund. See the "Administrative Fees" section for a summary of fee types and amounts collected.

## Scope of Services

Intuition performs a broad scope of services. All services provided are included in the monthly account servicing fee of \$1.58 per account. Listed below is an overview of services:

- Software development and data management (Prima is the software used by MPACT)
- Call center and fulfillment operations
- Check and electronic payment processing
- Application processing
- Disbursement services
- Financial processing
- General account maintenance processing
- Correspondence mailing and processing (See the "Prima Generated Form Letters" section for samples of all MPACT form letters)
- Benefit payment processing
- Program reporting, tax reporting, annual statements
- Timeshare Solution – Hosting records administrative system
- Web-based enrollment and fulfillment (Prima Wave is the web-based software used by MPACT)
- Web-based account inquiry and update capabilities
- Web-based submission and automated processing of school invoices
- Web payment services (ACH and Credit/Debit Card)

See the "Scope of Services" section for a detailed list and explanation of services.